

Mr. McNARY. I have moved that the Senate take a recess and not an adjournment.

Mr. HEFLIN. If there is to be a recess then there will be no morning hour?

Mr. McNARY. No.

Mr. HEFLIN. The Senator does not want to cut me off from passing my resolution?

Mr. McNARY. No; but I want to proceed, I will say to the Senator from Alabama, with as much expedition as possible. We are probably a week behind in our schedule already, and I would like to go forward promptly at 12 o'clock with the further discussion of the unfinished business.

Mr. HEFLIN. Will the Senator give us time in the morning to vote on the resolution? We will not discuss it. I do not care to discuss it further.

Mr. McNARY. It is possible that no Senator will want to occupy all of the afternoon to-morrow on the unfinished business, and the Senator will have an opportunity, I am sure, to present his matter.

Mr. HEFLIN. Then when we meet in the morning I shall ask to have a vote on my resolution without discussion.

The PRESIDING OFFICER. The motion now before the Senate is to take a recess until to-morrow at 12 o'clock.

Mr. McNARY. In a matter of this kind it depends upon the consent of the Senate. I am only seeking at this time to keep the farm relief measure before the Senate commencing to-morrow at 12 o'clock, and that is the purpose of the motion which I have made.

Mr. HEFLIN. I am in hearty sympathy with the Senator in that desire. I am in favor of farm relief legislation in some form and expect to discuss it later, but it will not take long to dispose of my resolution. It is a matter of privilege, and I am entitled to have action on it because it pertains to myself and also to the rights of the American people.

Mr. McNARY. I renew my motion that the Senate take a recess until 12 o'clock to-morrow.

RECESS

The motion was agreed to; and the Senate (at 4 o'clock and 8 minutes p. m.) took a recess until to-morrow, Wednesday, April 24, 1929, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, April 23, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou God, who commanded the light to shine out of darkness, shine into our hearts and give us the light of the knowledge of the glory of God. When we are separated lead us to take time for the patient, pious pondering of the sacred truth of our Father in Heaven. In the contacts and associations of this day help us to be loyal to friendship, courageous in principle, ever faithful to truth, and generous in spirit. Do Thou come with us and give success to our endeavors, and bless us with that peace and satisfaction which are promised to those who diligently seek and love Thee. Purify our ambitions and cleanse us from all selfishness. Direct and bless all institutions that serve our fellow men. Be with those whose hearts are hungering for comfort as they breathe in smothered sighs because they can not note their silent grief. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 179. An act to authorize the Secretary of Commerce to dispose of the marine biological station at Key West, Fla.; and

S. Con. Res. 4. Concurrent resolution thanking the people of Wisconsin for the statue of Robert M. La Follette.

ADDRESS OF HON. JAMES M. BECK

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by my colleague the Hon. JAMES M. BECK, delivered in Elks Hall, in New York City, on Sunday, April 7, 1929, at a meeting of civic associations.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. DARROW. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I submit the glowing and eloquent tribute to the late Marshal Foch by our colleague, Hon. JAMES M. BECK, of Pennsylvania.

The address is as follows:

THE MEMORY OF FOCH

We are met to commemorate the passing of a great soldier, and one can say, as Fortinbras said of Hamlet:

" * * * ; for his passage,
The soldiers' music and the rites of war
Speak loudly for him."

If it be asked why American citizens should meet in honor of a great French soldier, it may be answered that he led the allied armies to final victory for the United States as well as for France.

These great nations, born of the same travail, are in the truest sense sister Republics, and Foch shares with Washington the unique distinction of having led an army in which the soldiers of the two great Republics fought shoulder to shoulder under a common command.

History will recognize him as a very great soldier, not because he commanded the greatest number of soldiers that were ever put into action, for a soldier can be a great commander, even if his followers are few. Washington was a great general, because he held together for seven weary years an army, over which he had no direct authority in the matter of length of service, and by his masterful personality, especially in the dark days of Valley Forge, inspired his almost naked and half-starved soldiers with the spirit of victory. After many reverses he achieved the culminating victory of Yorktown by a strategic move of unparalleled difficulty, which Frederick the Great lauded as one of the most masterly in history. The greatest soldier of modern times, Napoleon, was not as great a commander, when he led half a million soldiers across the Niemen into Russia as he was when, after the Battle of Leipzig and on the retreat to Paris, he won, with a small and diminishing army, victory after victory from the largely superior armies, which encompassed him on the retreat to Paris.

Let us, therefore, disregard the quantitative standard, which acclaims Foch because he was the leader of a larger army than was ever known in the annals of mankind. His greatness consisted not in numbers but in his indomitable will. Rarely has there ever been in the history of war such a demonstration of the potency of faith, with which he literally removed mountains of seemingly insuperable obstacles to success.

It is this quality of invincible courage that makes a truly great commander, and enabled Caesar to say, "I came, I saw, I conquered." It was in this spirit that the infant French Republic hurled back the invading armies of European powers at the rallying cry of Danton: "Il nous faut de l'audace, et encore de l'audace, et toujours de l'audace."

I can best illustrate my meaning if you will allow me an analogy drawn from the greatest play that the hand of man has ever inscribed. I refer to Hamlet, that enigma of literature, that masterpiece of the world's master mind. In that play Shakespeare tells the story of two princes, the one of Denmark and the other of Norway. To his Danish prince he gives the nobler attributes of mankind.

And yet Hamlet fails in carrying out the sacred mandate imposed upon him by his murdered father, and he himself reveals the reason. In the most famous soliloquy of dramatic literature he tells us that with him—

" * * * the native hue of resolution
Is sicklied o'er with the pale cast of thought,
And enterprises of great pith and moment,
With this regard their currents turn awry
And lose the name of action."

In a later act he again contrasts his own irresolute mind, incapable of translating his noble thoughts into action, with the young Prince of Norway, whom he casually meets, and who is on the way to the field of battle. Hamlet accuses himself of—

" * * * some craven scruple
Of thinking too precisely on the event,
A thought which, quarter'd, hath but one part wisdom
And ever three parts coward."

Having thus described his own fatal weakness, he speaks of the young Prince of Norway, who is destined to succeed to the throne of Denmark, which Hamlet lost, as follows:

"Witness this army of such mass and charge
Led by a delicate and tender prince,
Whose spirit with divine ambition puff'd
Makes mouths at the invisible event,
Exposing what is mortal and unsure
To all that fortune, death, and danger dare,
Even for an eggshell. Rightly to be great
Is not to stir without great argument,
But greatly to find quarrel in a straw
When honor's at stake."

The man, in whose honor we meet to-day, was such a "delicate and tender prince," whose spirit, "with divine ambition puffed," made "mouths at the invisible event," for the strength of Foch was his unconquerable faith in his ability to accomplish his objective and his belief that success depended largely upon this element of faith. This had been the burden of his teaching when, shortly before the Great War, he taught the art of war in the great military school of France. He did not accept the cynical statement of his great preceptor, Napoleon, that the god of war was always on the side of the heaviest artillery. He believed that the spirit of man could triumph in spite of inferiority in either numbers of artillery, and he found vindication of his belief in the career of the great Napoleon, by whose side he now sleeps in the Invalides. He was wont to say:

"The will to conquer sweeps all before it. There is a psychological phenomenon in great battles which explains and determines their result."

From this Foch concluded that—

"If defeat comes from moral causes, victory may come from moral causes also, and one may say, 'A battle won is a battle we will not acknowledge to be lost.'"

When called into the field of action in the Great War, his rallying cry was always, "Attaquez," and while again and again bitter experience might have taught him that, at best, this spirit of aggressive optimism was often confounded by superior artillery and machine guns, nevertheless, in the end it was this spirit of invincible faith that secured the final triumph.

It is not strange that the world has accepted the legend that, on the last day of the first Battle of the Marne, when his line was dangerously bent back and disaster seemed imminent, he sent the reputed message to Joffre: "My center yields, my right falls back. Situation excellent. I attack."

It is doubtful whether he ever sent this message. At a great luncheon given in his honor in this city shortly after the war I had the pleasure of sitting next to the French ambassador, Jusserand, who himself was seated next to Marshal Foch. One of the orators quoted this reputed message and Jusserand said to me that the marshal had just whispered to him that he had never made the remark in question. Nevertheless, the remark was quite characteristic, for General Eydoux, one of his corps commands, tells us that when, in those fateful days of the first Marne battle, his army was being borne down by weight of numbers and the most alarming reports came to Foch, he merely repeated "Attaquez," and when they hesitated he said more vehemently, "Attaquez, attaquez, attaquez!" At length General Eydoux told him that his army was so badly shattered that there was no longer hope of making even an orderly retreat, to which Foch replied: "You say that you can not hold on and you can not retreat, so the only thing left is to attack to-morrow morning."

Foch himself once remarked during these dreadful days:

"One goes forward without knowing the future, without knowing if success will come. But it is necessary to go forward all the same, for in certain cases anything is better than retreat."

In other words, he had the "will to conquer" as few commanders ever had in the history of war. If I were asked to liken him to any American general, it would be to Stonewall Jackson. Like the latter, Foch was a mystic.

It would do his memory scant justice to credit his success merely to an invincible spirit of optimism. His faith in his star, or rather in the ultimate triumph of a just cause, was happily united to great skill in the strategy of the battle field. Even when his policy of attack signally failed, as it not infrequently did, he skillfully rearranged his plans and outguessed his adversary. Joffre, of whom I shall presently speak, played the game of war as one of chess. His mind was analytical and he moved the pieces on the chessboard with masterful skill. With Foch, the decision of the moment was often a matter of intuition, or a quick and accurate perception of the significance of events. Although his conclusions seemed intuitive, he did not act hastily. He could wait patiently for months until the opportune situation presented itself and then strike, as with a bolt of lightning. He had the qualities which Hamlet so greatly admired in Horatio:

"* * * For thou hast been
As one, in suffering all, that suffers nothing,
A man that fortune's buffets and rewards
Hast ta'en with equal thanks; and blest are those
Whose blood and judgment are so well commingled,
That they are not a pipe for fortune's finger
To sound what stop she please."

With Foch, "blood and judgment" were well commingled. He was not a foolish gamester that recklessly risked everything upon the fall of the dice. His watchword, "Attack," meant little more than that, when the period of maneuvering had passed, he took the aggressive, without thinking "too precisely upon the event," or waiting to eliminate every possible chance of defeat.

Untiring energy and invincible optimism have done much to create the legend of Foch and given him an undue share of praise in great battles, in which he was only one contributing factor. For example, it

will probably be believed for generations to come that the Battle of the Marne, one of the greatest battles of the world's history, was won by Foch on the 9th of September, when he transferred his Forty-second Division from his left wing to his right and threw it as a wedge into a gap which he had noted in the German line. There is no truth in the statement, for the so-called "Miracle of the Marne" is now susceptible of a very simple explanation.

Between the First and Second German Armies, fighting between Paris and Montmirail, a gap of 30 miles had formed. When the French Fifth Army, under d'Espérey, with Lord French's British Army on his left, crossed the Marne on the morning of the 9th of September and threatened to enter this gap, the German high command, at 2 o'clock p. m., on the 9th of September, ordered the famous retreat. Foch was still battling 30 miles away on the center, and the Forty-second Division never reached his right wing until 6 o'clock that night. The most that can be said for the legend is that the German retreat, which had been ordered for some hours and for definite causes, was accelerated and, to some extent, disorganized in that sector by the vigor with which Foch followed up the retreat with the aid of the Forty-second Division.

All this is not said in disparage of Foch, but only because, in honoring him, there is no occasion to depreciate the great commander, Marshal Joffre, under whom he then fought. The attempt of some military critics to rob Joffre of the victory in one of the greatest battles ever fought in the history of the world was best answered by the modest Marshal himself. A friend of his and a friend of mine, who told me the story, once said to Joffre: "Marshal, they now say that you did not win the first Battle of the Marne," and Joffre replied, "If I had lost it, I suppose no one would have disputed my responsibility for the defeat."

In this connection I was once told on excellent authority the following beautiful incident that illustrates the warm friendship between these two great soldiers of France.

When the war broke out, the great council of war first offered the command of the armies to Joffre. He modestly replied that the greatest strategist of the French Army was Foch, and offered to retire in his favor. When the offer was made to Foch he replied that the early stages of the war, notwithstanding the policy of attack, would necessarily be defensive in character and, in his judgment, Joffre would be the best commander of the French armies. The result vindicated his wisdom, for in the great retreat which followed the disasters at Morhange and Charleroi only the calm courage and extraordinary skill of Joffre saved the situation. Without him, it is probable that the war would have ended as did that of 1870, in a signal triumph for the German Army within the period of a month. All recognized that the great problem was to withstand the initial impact of the German armies, the most powerful military machine that the world has ever known.

It would be impossible in this address to sketch the great work which Foch did in the World War, but a brief reference to it may not be an undue trespass upon the patience of my audience.

The outbreak of the war found Foch in command of the Twentieth Corps at Nancy. The long-matured French plan called for an immediate offensive. As this resulted disastrously in Alsace and Lorraine, and later at Charleroi, Joffre has been bitterly criticized for taking the offensive. Apart from the fact that this famous Plan XVII had been long determined upon by the superior council of war, the critics of Joffre forget that between Russia and France there had long been a fixed agreement that in the event of an attack by Germany both Russia and France would at once attack the common enemy in order to divide his forces. Disastrous as were the first attacks of both Russia and France, nevertheless, this plan ultimately proved the salvation of the campaign, for the vigorous invasion of eastern Prussia by the Russian armies compelled the German General Staff to divert from the western theater of war to the eastern nearly 100,000 men. Had this great number been with the army of invasion, which swept over France, there would have been no gap between the First and Second German Armies, which proved to be the fatal weakness of the German attack, and the first battle of the Marne would probably have had a different result.

The opening of this offensive was the invasion of Lorraine by the French Army under Castelnau. It resulted in the great defeat of Morhange, which in any other war would have been a battle of the first magnitude. The French Army was driven back, a part of it in a demoralized rout. It was then that Foch's star first rose above the horizon. He commanded the so-called Ironsides, the famous Twentieth Corps of Nancy, and he then showed that he could be as great in the hour of disaster as in the hour of success, for he not only steadied the retreat but by a counterattack enabled the French Army to realign itself upon the heights east of Nancy, where they subsequently played a great part in the final triumph on the banks of the Marne.

The disaster at Morhange, and the later disaster at Charleroi, compelled all the six French armies to retreat, and in this retreat the genius of Joffre shone resplendently. Upon a front of nearly 200 miles commanding armies which totaled over a million men, and in a period of great demoralization, he never lost his head, but, pivoting his eastern flank on Verdun, he slowly bent back his embattled armies to a point

where he could safely resume the offensive. To do this it was necessary to fashion a new army to fill the gap between his Fourth and Fifth Armies, in the very center of the great segment between Paris and Verdun.

It is not easy to form armies in the hour of retreat, but Joffre was equal to the task. Detaching divisions from both the Fourth and Fifth Armies and stripping his eastern line of defense to the irreducible minimum, he created in a few days the so-called Ninth Army, and, with a sagacity that amounted to inspiration, he summoned Foch from Nancy to take command. All had to be done in a few days, and when Foch reported to headquarters he found, as he, himself, afterwards said, only a staff of five or six officers "hastily got together, little or no working material, only our notebooks and a few maps."

This newly formed army then shared in the retreat to the banks of the Marne and found itself the center of the Allied line. In front of it was half of the Prussian Army under Von Buelow, reputed to be the greatest German strategist, and the whole Saxon Army, under Von Hausen. The Battle of the Marne then began, with the attempt of the French Sixth Army, under Maunoury, to outflank the German First Army under Von Kluck, while Von Buelow and Von Hausen made for four long days a determined attempt to break down the newly assembled French Army in the center.

The Battle of the Marne was, in many ways, the most remarkable battle in history. In the first place, it had been planned, in a qualified sense, for many years before. Recognizing the possibility, if not the probability, of another war between France and Germany, the Supreme War Councils of both nations had, for at least 25 years, made their plans for the battle that now developed. So accurate were the German calculations that their plan contemplated a decisive battle near the Forest of Fontainebleau, the center of the titanic struggle, and, in fact, Foch's part of the battle was fought not many miles away. Even the time in which the decisive conflict would take place had been calculated with such nicety that the German armies, moving with the precision of a railway schedule, fully expected to celebrate the anniversary of Sedan with a far-greater triumph.

The battle line extended over 150 miles and over 2,000,000 men and 10,000 cannon took part in the stupendous conflict. Up to that time the world had never seen anything comparable with it. To Foch was assigned merely the part of defense, but it was vital that he should hold the center. That lost, all was lost, for if Foch's newly assembled army had been broken by the superior weight of the Prussian and Saxon armies, Joffre's line of defense would have been broken in two, a part of it thrown back upon the fortifications at Paris and a part toward the borders of Switzerland.

The battle raged for five days and the genius of Foch never shone more resplendently. He illustrated his own theory that the truest defense would often consist in attack, and he repeated these attacks as with the successive strokes of a hammer. Thus, the château of Mondement, a pivotal position, was thrice taken and retaken. His energies were superhuman, but he could not do the impossible, and at the end of the fourth day his right flank was badly bent back and his center weakened. He then resolved to weaken his left by transferring the Forty-second Division to his right flank and to resume the attack, but the effort was not necessary, for, as previously explained, 50 miles away the French Fifth Army and the British Army had crossed the Marne and driven a wedge between the German First and Second Armies and, as a result of that threat, the high command of the German Army ordered the retreat.

While Foch is not the supreme victor of the Marne, yet the cause of France would have perished if he had not so valorously held the center.

I have no time to recount his superhuman energy and skill in the defense of the Ypres sector. Later, in 1916, his star was temporarily eclipsed in the Battle of the Somme, where the allied armies suffered prodigious losses with no corresponding gain in territory. That six months' battle, three days of which I had the privilege of witnessing, is generally regarded by military critics as a great folly and, measured by the ponderables, a ghastly folly it was. Its justification lies in an imponderable. Eastward the battle had been raging for many months at Verdun. In itself Verdun was unimportant, but its loss might have destroyed the morale of the French people and ended the war. The attack on the Somme was intended to relieve the pressure upon Verdun and to that extent was a success. Nevertheless, the fearful sacrifice of life and the small gain in territory led to the retirement of Foch from the field of battle and his fame seemed destined to the undeserved eclipse which his great comrade, Joffre, has undergone.

In 1918 the German armies, under Ludendorff, made their last desperate attempt to end the war by the capture of Paris. Never was a more stupendous military effort made and, when it is recalled that Germany had been fighting for nearly four years, one can only feel immense admiration for the untiring energy and desperate valor of its armies and the military genius of Ludendorff, who was certainly one of the greatest soldiers in the history of the war. He began with the partial destruction of the British Fifth Army under Gough. This was followed by a drive of over 50 miles toward Amiens. Had that

strategic center been captured, the chief railroad between the Channel ports and the French armies would have been destroyed. The German armies, by superhuman efforts, were as close to Amiens as Grant's Tomb is to the Battery. The situation was so desperate that General Haig issued the startling statement to his soldiers that "their backs were to the wall." To the south the German armies had, with inconceivable rapidity, advanced over many miles of territory and had again reached the banks of the Marne. Another victory and Paris would be in their grasp, and it is at least possible that, had they occupied Paris, they could have dictated the terms of peace.

Never since the first days of the war was the situation more serious. It seemed to many that the end had come. In that dark hour it was agreed to have a common command for the British, French, and American armies, and Foch was called from his retirement.

What follows is too well known to require recital. Once again he illustrated his theory that the best defense was attack. Once again he said, as he had said in the first Battle of the Marne, "You say that you can not hold on and you can not retreat, so the only thing left is to attack."

Undoubtedly he was helped by the fact that the German armies, with their final and gigantic effort, had spent their strength. No army could do more than they had done, but they had reached the limit of human endurance. Foch quickly reorganized his armies and made successive attacks at different points to bewilder his enemies. Weakened by their losses and bewildered by successive blows of a titanic character, the German armies slowly retreated to their frontier and then came the armistice.

Some have criticized Foch for seeming harshness in the terms of the armistice, but a war of such terrible sacrifices and universal destruction could only end in an unconditional surrender. Far from being merciless, the fact is that Foch sacrificed a stupendous triumph rather than incur the responsibility for the further effusion of blood. The German armies had retreated, but had not been, in a true sense, vanquished on the field of battle. They had not suffered a Waterloo or Sedan. Their position was more analogous to that of Lee after the Battle of Gettysburg. They were, however, threatened with overwhelming numbers, and Foch could reasonably expect that if the war continued a month longer he could largely destroy the German armies in the field and thus gain imperishable laurels. To do so meant the loss of thousands of lives, and therefore he declined to continue the struggle either to gain additional laurels or to gratify the pride of his country.

This decision meant more than merely the sacrifice of an opportunity to add a great victory to the military annals of France, for if he had declined an armistice and, as is probable, won a conclusive victory on the field of battle, he and his army could have had the proud satisfaction of entering Berlin in triumph. It may seem that this would have been a cheap satisfaction when the necessary loss of life is considered, but it must not be forgotten that the terms imposed by Prussia upon France in 1871 included a triumphal entry of the German armies into Paris. Then, as in 1918, it was a question of unconditional surrender, but Bismarck finally agreed to omit the entry into Paris if the French would add to the ceded territory the important city of Belfort. To his surprise and to their great glory, the statesmen of France accepted the humiliation of the triumphal entry into Paris in order to retain Belfort, and it was from Belfort in 1914 that the first French attack began.

For these and other reasons, the temptation to Foch was a great one to decline any armistice until he had won a decisive victory on the field of battle and had signalized his triumph by an entry into Berlin, and it is to his great credit that he sacrificed both rather than shed an unnecessary drop of blood.

Of his postwar activities little need be said. He had little sympathy with the treaty of Versailles. He believed and warmly advocated, before the allied armies scattered, the immediate destruction of the Bolshevik movement in Russia. It was his belief that at that time a few army corps could have not only scotched but killed the Bolshevik snake, but his wise counsel was overruled, and to-day the world still moves in the shadow of Bolshevism.

On the centenary of Napoleon's death, May 5, 1921, Foch was fittingly selected to deliver the oration. Standing before the sarcophagus in the Invalides, he, as one great soldier, paid his tribute to the greatest of all commanders of modern history, and I can not more fittingly conclude than by quoting the concluding words of this tribute which France in all the generations to come will apply to Foch as well:

"Napoleon! If the prestige of this name has captivated the admiration of the world, it is none the less true that its splendor increases as the perspective of time enables posterity to measure the magnitude of the task he accomplished.

"Sire, rest in peace! Even though within the tomb, you are still working for France. To every danger befalling our country our standards thrill at the passing of the Eagle. If our legions came back victorious under the Arc of Triumph, which you built, it is because the sword of Austerlitz had already pointed the way, in showing us how to unite and lead the forces which had conquered."

CONSTRUCTION OF VETERANS' HOSPITAL IN WEST VIRGINIA

Mr. BACHMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an argument made by Senator GUY D. GOFF of West Virginia on April 20, 1929, to Gen. Frank T. Hines and other officials of the United States Veterans' Bureau, urging that a Veterans' Bureau hospital be erected in the State of West Virginia.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to extend his remarks in the RECORD by printing an argument by Senator Goff of West Virginia. Is there objection?

There was no objection.

Mr. BACHMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the argument made by Senator GUY D. GOFF.

The entire West Virginia delegation in Congress, members of the special committee of the Senate and House of Delegates of West Virginia, and officers of the American Legion, both State and National, were present when this plea was made. At the conclusion of this address General Hines assured the delegation that the Veterans' Bureau would give the establishment of a veterans' hospital in West Virginia its very best support.

The argument is as follows:

General Hines, ladies and gentlemen, and my colleagues: The need for a United States Veterans' Bureau hospital in the State of West Virginia has been apparent for quite some time. In fact, the situation has resolved itself into an acute stage. This fact is now recognized by all the soldier welfare agencies of the State, the State legislature, the national rehabilitation committee of the American Legion, and the West Virginia delegation in Congress.

Veterans' Bureau officials at the Charleston regional office have indicated in the past and do at this time advocate the establishment and maintenance of a Veterans' Bureau hospital in West Virginia. They claim that this would greatly facilitate the handling and disposition of medical cases and relieve the hospital load in the State.

In August, 1927, at the Ninth Annual Convention of the American Legion at Williamson, W. Va., it was resolved that the commander of the Legion in West Virginia appoint a committee to take all necessary steps to secure within the limits of our State a veterans' hospital to the end that our World War veterans can receive immediate treatment whenever they apply for hospitalization. This resolution was brought to the attention of the Legion in its annual convention at Paris, France, in September, 1927, and a resolution was then duly passed directing the chairman of the rehabilitation committee to cause a survey to be made as to the necessity for beds for N. P. and other cases in West Virginia and Virginia. The survey was not completed prior to the Tenth Annual Convention of the Legion which was held in Texas in October, 1928, and for that reason no further or additional recommendations were made at that time. However, in the fall of 1928 and in the months of January and February, 1929, the lack of hospital facilities within the jurisdiction of the Charleston regional office became so pressingly apparent that the matter was brought to the attention of the West Virginia Legislature in February, 1929, and, because this Nation is embodied liberty regulated by law, a resolution was unanimously adopted by both houses recommending the establishment and maintenance of a general hospital for the care and treatment of West Virginia veterans. That this purpose might be the sooner accomplished, a joint committee was ordered appointed by the speaker of the house of delegates and the president pro tempore of the State senate. This committee was appointed, it is here to-day, and it has done everything within its power and its jurisdiction to bring about the achievement of this most laudable purpose.

Now, General Hines, in view of our very warm personal friendship and our close association in the World War, and our constant contacts since in the city of Washington, I am encouraged and moved to say to you that West Virginia feels that she contributed a courage, a fortitude, a bravery, a willingness to live or die, and to meet the emergencies of war, that if ever equaled can not be and was not surpassed by any State in the American Union. We of West Virginia feel that we possess because of our citizenship a devotion to principle that enables our people in time of war or in time of peace to do or die without thought of self in their efforts to attain the great ends of life, whether they be moral, spiritual, physical, or governmental. We sent 63,000 men to the World War to meet the sons of hell. They were strong and great, and they dared to do all that may become a man. They marched away turning from the hopeful glance of tender pleading eyes, outstretched arms, and the sorrow of a long, if not a last farewell, leaving home and ease and loved ones, actuated solely by this determination: Take no thought of me—but by your devotion and your works inspire me, and sustain me in this supreme struggle to maintain those immortal truths, that are enduring and triumphant in the equal rights of all. To-day brings back to our minds their faces, their admirable intellectual qualities, and their great virtues. In their look and their wave of the hand was the

message that it was sweeter to die for home and country, for God and friends, than to live in dishonor even though it might bring momentary contentment. All too many kept their eternal bivouac on the field of battle, their white faces kissed by the eternal stars, and they are embalmed in our hearts forever and forever. Many of these men came back wasted and worn. They came back, many of them, less young, less strong, but none the less daring, to take up the duties of civilization and to carry the burdens that the responsibilities of peace always place, and did place upon all of us. Many of them were, and now are, suffering from wounds received in battle; many of them are finding and experiencing for the first time that they contracted ailments and diseases in the exposures of battle and camp life that they did not know, and that no one knew they had at the time of their discharge. It is the duty of this great Government to take care of the men who wear the badge of a people's love and who have insured its continuation by giving all they had—more than life gave them. The Government will do it. You will do it. The West Virginia delegation will do its part and every man, woman, and child who now enjoys the blessings of peace will do their part in showing their gratitude by sympathetic and loving administration to those who were willing to sacrifice self for those supreme things without which civilized man can not live.

One of the great problems which arises in hospitalizing the West Virginia veterans is to obtain a facility duly and immediately accessible to the men who reside in our State. It is necessary to eliminate distance between the home and the hospital in the very large majority of such cases. Taking Charleston as a regional point in the T. B. cases, it is necessary to consume from 14 to 20 hours in reaching the hospitals where such patients must go—in Kentucky, Pennsylvania, Tennessee, and North Carolina. Such men have a limited vitality, and if they are to be carried on litters and transferred from train to train they reach their destination completely exhausted. In the N. P. cases we have no hospitals in West Virginia where such men can now be sent, and the very large majority of such cases go to Maryland, Ohio, Virginia, and Washington City. The fact that such hospitals are so far removed not only works a hardship on the men but removes them entirely from their home atmosphere, the rendezvous of their loved ones, and leaves them absolutely among strangers. The best information obtainable is that all of the hospitals just mentioned are to-day taxed beyond their capacity and in their present overcrowded condition there is really no proper and suitable place to send the men who need hospitalization.

The problem of this Government, State and national, is a problem of restoration. Our love seeks the men who made and who offered to make the supreme sacrifice. We can never forget them. They were put to the test of physical and moral courage. The Nation was in danger, but these boys of our common country despised danger, and that is what makes them great and makes us consciously and gratefully proud. We speak of rehabilitating those who have strayed from the straight and narrow path. We do not send men to penitentiaries to exile and destroy them. We send them there that they may come back rehabilitated and assume their place in their respective communities. We can not, of course, compare our World War veterans with those whom society rehabilitates, as their problem and our duty to them far transcends any obligation which government must assume toward those who break its laws. Our duty to the veteran is the duty which we all owe to the men who saved our Government, our homes, and our firesides. It is a duty which we owe to those who make even life itself a possibility in the selfish struggle of nations to acquire and possess the material things of this earthly existence. But if Government, State and Federal, can redeem its mental and moral delinquents it must not be permitted to hesitate, even pause, in providing restoration for its devoted and unselfish patriots—guardians and defenders. Our duty to the soldier who gave of his strength and his vitality is the correlative of the sublime reverence and sympathy we owe to those who died. It is our sacred duty to restore the men who lost either mind or health in the world's conflict. You and I know that this can not be done so well among strangers as it can among friends. You and I know that if the love and the sympathy that comes from the cockles of the human heart can ever truly soothe, comfort, and console, it is by the bedside of those who are near and dear to us. You and I know, because we saw it when we visited the hospitals of pain, sorrow, grief, and torment in France, that if there is anything in this mortal world that will make man realize that his duty is here and not over there in the great beyond, it is to feel the pressure of a loving hand and the soothing touch of a sympathetic affection when the Great Reaper is beckoning and closing in upon us.

We can not expect our disabled veterans to come back to manhood, to mentality, to good health, and good cheer if we put them among strangers and take them away from those things that make life livable and desirable. This would be to send them, in many cases, to the lone couch of everlasting sleep. If we can have our men hospitalized in our own State, where their silver-headed mothers, their wives, their sisters, and their loved ones may visit them and see them, we are making it easier for them to remain with us and to return to good health than if we send them out among strangers. If we are to restore these men

so that with the assistance of renewed vitality they can begin to live life over again, we must eliminate from their thoughts all of the sad and forlorn yesterdays and put in their places hopeful, helpful, desirable, and ambitious to-morrows.

I know, General Hines, that you will do everything you can to see that West Virginia has such a hospital. It is for the Nation to solve this problem—America can not escape it. She owes it to herself, to the States, to the immortal dead and the disabled living, who gave of themselves, their aims, their purposes, and their most cherished ambitions. I know that you will stand shoulder to shoulder unyieldingly with the West Virginia delegation in seeing that it has an appropriation of at least \$1,500,000 to pay for the erection of such a building where the sick, the wounded, and the broken may find shelter and comfort. I am glad of the opportunity to say to your face and in this very honorable and representative presence what I have always said behind your back, that the veterans of the World War have no more sympathetic heart friend than you, and that you, to my knowledge, were, and are, doing everything on every occasion that could be done for them to bring back to them and their families peace, health, and comfort in return for the great sacrifices they made. You have done all that and the veterans of the World War who know of your activity, regardless of their States, recognize that the mystic bond of a common danger makes us all akin, and that they have in you a "friend of the blood," because, having experienced with them, you appreciate and sympathize with all that they did and all that they have earned and are entitled to receive.

We want your great unselfish assistance for West Virginia. We want West Virginia recognized. You know, we all know, that no heroic sacrifice was ever lost. God Almighty gave to West Virginia the greatest possible gifts of nature. He gave of His love and His bounty. He gave her a wonderful mountain region, whose crops are men. He gave to her high, lofty, and pure altitudes that reach into the celestial blue. He gave to her rich and splendid valleys where the fruits and the flowers of earth ripen and blossom into a most wonderful and gracious maturity. Geographically, geologically, and in all of the things that make for the comforts, the ease, and the embellishments of civilization, West Virginia stands uniquely as the home of American democracy and as one of the greatest commonwealths of all the world, and because of these lavishly bestowed gifts of the great and loving God, West Virginia has given to the world the bravest men and the most splendid women that America or any other nation has ever contributed to the human currents of mankind.

The sons of West Virginia are very near and dear to us all. The immortal dead, serene with the wisdom of eternity, live in our hearts to-day. Theirs is the only glory, and those who flung their all, with life itself, into the scale of battle and returned calm and brave, modest and generous, but wasted, ill, and maimed, have our constant and infinite affection. They have our gratitude for their services and our congratulations that they were spared to greet their loved ones, and receive the plaudits of a grateful and proud people, and know that they were their fathers' sons when peril and danger threatened their native rights and duty called. Our people are the products of their environment and their conditions, as all people are, and because they are such, and because they are what they are, they are entitled to the recognition which the American Legion has said they should have, and which the Legislature of West Virginia has unanimously indorsed, and which we, her dutiful representatives in the Congress of the United States, now know that with your unlimited assistance we will obtain in the very near future. I thank you.

ADDRESS OF MRS. SAMUEL J. SHOPE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech by Mrs. Samuel Z. Shope, president of the National Society, Daughters of 1812, at a luncheon within the old Star Fort at Fort McHenry, Baltimore, on April 20, 1929.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD by inserting an address by Mrs. Samuel Z. Shope. Is there objection?

Mr. UNDERHILL. Reserving the right to object, what has that to do with Congress?

Mr. LINTHICUM. It is an address made within the old Star Fort at Fort McHenry, Baltimore, where the Star-Spangled Banner was written. I think it has a great deal to do with the history of our country, and of the Congress as well. Congress is asked to pass a bill, H. R. No. 14, introduced by me, making The Star-Spangled Banner the national anthem of the country by congressional enactment.

Mr. UNDERHILL. Does it have anything to do with that bill?

Mr. LINTHICUM. All of the incidents relating to that time have to do with the patriotic matters before Congress and with the bill I have mentioned.

Mr. UNDERHILL. Well, Mr. Speaker, under the circumstances we will let it pass, but I want to say at this time that

I shall continue the policy, as in the past, of objecting to extraneous matter going into the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, on Saturday last, April 20, 1929, there assembled at luncheon within the Old Star Fort at Fort McHenry, Baltimore, the National Society, Daughters of 1812, Mrs. Samuel Z. Shope, president, as the guests of the Maryland Society United States Daughters of 1812, of which Miss Florence P. Sadler is president. The meeting was most patriotic and inspiring.

The address is as follows:

Members and friends gathered here at this great American shrine, as we are to-day through your splendid courtesy, my daughters of Maryland, our hearts are fired anew with love and veneration for this hallowed spot, for this is to us, as it most assuredly must be to every true-hearted American, almost holy ground.

There are certain critical moments in the world's history which stand out in bold relief against the ever-changing horizon of the world's progress. These tower high over all other events because so pregnant with destiny. Dangerous moments come to every individual, yea to every nation, when its very existence hangs upon a single thread.

That was a critical moment for Greece when her sons, led by Miltiades, met the Persians at Marathon. That was a crucial moment for civilization itself when Charles Martel so valiantly met and vanquished the Saracen horde. That was a great moment for democracy when Wellington, at Waterloo, shattered forever Napoleon's wild dream of world dominion. That was a critical moment for infant America when Washington, despite every discouragement and in the face of almost certain defeat, sallied forth from Valley Forge to do or die. With these events stands forth with no less magnificence of altitude and shines out with no less radiance of glory the event of the 13th day of September, 1812, for the engagement here at Fort McHenry constituted not only a critical moment in the splendid history of our country but it proved to be the great determining factor in the very destiny of our beloved United States of America.

The British, puffed up and emboldened by their many victories on land, failed to properly estimate the bravery, the patriotic devotion, and determination of the valiant heroes set to hold against all invaders this important point of defense.

The enemy expected that a brief siege would result in the colors being hauled down over the ramparts. But to their surprise and chagrin as they approached the old fort they were met with the unmistakable fiery message, "You shall not pass." This message of doom from the hearts of our patriotic defenders reverberated through the throats of our cannon, soon broke the morale of the haughty Briton, and once more victory perched upon our American banner to the praise of our heroes and to our untold blessing and that of countless generations yet unborn. We can well imagine what a night of torture that must have been to Francis Scott Key as he kept his weary, anxious vigil on the deck of his ship *Minden*, and though we can not estimate in all the fullness the joy and pride that swelled his heart to almost bursting when the first rays of the dawn revealed the old flag, tattered and torn, but still defiantly flying. We can realize to the full that out of his very soul flowed the words and the spirit of the Star-Spangled Banner. And in view of these facts and with the never-failing inspiration brought to every soul that hears its stirring strains and ennobling words—what red-blooded American shall ever dare to claim or shall ever wish to say that it is not our national anthem? But, my fellow Americans, whilst we count these blessings transmitted to us by our illustrious ancestors, and let us count them o'er and o'er, but let us not forget the inviolable, inflexible principle that there is not a single blessing vouchsafed us by heaven itself that does not have attached to it a concomitant responsibility of service and perpetuation. Oh, my hearers, may you and I never forget the love and loyalty we give to our gracious God for this our land of liberty and for all the countless blessings He has provided for us in this life and in that which is to come, and may we ever seek to serve and obey Him to the end that we may be found in Him and be used of Him to lead all the peoples of the earth to a knowledge of Himself and to swell to the utmost the innumerable company that shall come to worship Him in spirit and in truth unto that blessed day and forevermore.

In closing I leave with you a thought along this line from the very pen of Francis Scott Key himself: "Men who inherit an estate prize it and enjoy it less than the ancestor who earned it, and we who inherit freedom may learn to value it less than the men who won it. Let us not indulge the unworthy thought that to us is left the privilege of enjoyment without the obligations of duty. We are responsible for the most sacred of trusts to our country, to the world, to our God."

FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 1) to establish a Federal farm board to promote the effective mer-

chandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries.

Mr. KINCHELOE. Mr. Speaker, pending that motion, I want to ask the gentleman from Iowa a question: Is it the purpose of the chairman to close general debate to-day?

Mr. HAUGEN. It is the desire to get through if we possibly can. It will depend upon the numerous requests that have come in; but my desire is to close general debate to-day.

Mr. KINCHELOE. I am hoping that the chairman will see fit to close general debate to-day. We have had five days' general debate, and if we expect to pass the bill the sooner we get it on the statute books the better.

Mr. CLARKE of New York. I sincerely hope that general debate will close to-day. I can see no good in running along and continuing the debate any further.

Mr. KINCHELOE. It is within the power of the chairman to close debate if he sees fit.

Mr. HAUGEN. It is the desire of the chairman to accommodate all the Members that we possibly can.

Mr. ASWELL. I have requests for three hours more, but I think we can close general debate to-day.

Mr. HAUGEN. If we close general debate to-day we will have to run late.

Mr. KINCHELOE. Mr. Speaker, would it take a unanimous consent request to extend debate beyond to-day? In other words, without further agreement, when the committee rises to-day will general debate be closed?

The SPEAKER. The Chair thinks that under the agreement of yesterday general debate would close to-day.

Mr. KINCHELOE. Then I give notice that I am going to object to any further extension of the time for general debate.

The SPEAKER. The question is on the motion of the gentleman from Iowa that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. MAPES in the chair.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. ASWELL. Mr. Chairman, can we have a report as to the amount of time that has been used.

The CHAIRMAN. The gentleman from Iowa has consumed 7 hours and 17 minutes and the gentleman from Louisiana 8 hours and 1 minute.

Mr. DEMPSEY. Mr. Chairman, the farmer has been producing for the last eight years without a profit. During all this time there has been discussion, in and out of Congress, as to whether his condition could be bettered by legislation.

First of all, of course, it is important to learn why agriculture is unremunerative. It arises, as is generally agreed, from a variety of causes: The area of agricultural land has, since 1860, been largely and steadily increased, first by land grants to settlers, and later by great reclamation projects; production was greatly stimulated by the needs of the World War and the tractor has brought about a very great increase of production by multiplying the work which can be accomplished by the individual.

This combination of circumstances has resulted in the production of a much greater aggregate of farm products than is needed for domestic consumption and the surplus has to be marketed abroad. There it comes into competition with the products of cheaper land of lower-priced labor, and of great producing areas lying nearer the sea and so being afforded a cheaper cost of transportation to the world's markets. As a consequence the world market has been, and naturally will continue to be, much lower than the price at home. The conclusion has been reached then that the problem to be solved is the disposition of the surplus beyond the quantity needed for domestic consumption. Of course, there is involved also the problem of simplifying, and thus cheapening, distribution; of bringing the producer and consumer more closely together and thus eliminating what is rightly regarded as an extravagant and unnecessary cost amounting to waste. However, the main problem of the disposition of the surplus remains to be dealt with, however much the distribution may be simplified and cheapened. And the surplus problem can well be studied from two angles—first, is there any practical way in which we can reduce production to domestic needs; and, second, should this prove impossible, how can we best dispose of the surplus so that at least it will not depress the domestic market below a reasonable and fairly profitable level? I shall speak only of the problem of reducing production to the level of domestic needs.

The situation can be best approached by studying the statistics and facts as to some one product, and wheat will be selected because that is the standard crop of a great part of the country. Our production of wheat amounted in 1927 to 878,374,000 bushels, of which 653,364,000 bushels were sold at home and 225,000,000 bushels were exported.

We find that our average production per acre of wheat in 1927 was 14.9 bushels. It is uneconomic and wasteful to cultivate land throughout the greater part of our country which does not in a normal year produce at least 25 bushels per acre. Even in the best of times and with a high market it is unprofitable to cultivate land which produces less than 25 bushels per acre in the country as a whole, although there are portions of the country where we can afford to raise much less than 25 bushels per acre. If there was a way to stop the cultivation of wheat on land which is not rich enough to grow enough of a crop to be profitable, to insure a fair return it is believed that the production of wheat would at once drop to the quantity needed for domestic consumption and there would be no surplus to be exported and marketed with the wheat of the world, grown on cheaper lands and by cheaper labor, and where transportation costs to the ocean are less.

The question then arises whether it is practicable to reduce the acreage of wheat and, for that matter, of all agricultural products. This has been discussed throughout the period of hard times from the standpoint of some central agency furnishing the farmer the statistics as to what the domestic demands will be in advance of the sowing and planting season, and of the farmers then voluntarily and by agreement reducing their acreage. This plan presents many apparently insurmountable obstacles. While it is easy to estimate to within a very small quantity what the domestic needs for the ensuing season will be it would prove difficult and even impossible to advise the individual farmer how much he should reduce his crop, and still more difficult to induce a general agreement among farmers to bring about the needed reduction, even if they knew what this should be. Then there would be, unhappily, the fact that some farmers, believing that there would be a general reduction, would increase their acreage, hoping to realize an unjust profit out of the forbearance and self-denial of their fellows. So any such plan, depending upon estimates and advice from the Government, would fail because of the inability to apply the results to the individual, and because it would be impossible to make an agreement by which individual farmers would be bound to make the plan effective.

Is there, then, any plan which could be carried out and which would accomplish the result of insuring a reduction of production to our home needs? It is believed that there is such a plan and that it could be carried into effect. As has been said, a great enough area of land is under cultivation which it is wholly unprofitable to farm which, if cultivation on it was abandoned, would reduce the production to a point where we would have no surplus beyond home needs. Is it practicable to force the abandonment of such unprofitable lands; and if so, how can this be done?

The undertaking is, of course, a tremendous one, and its size and the amount of money required will deter many people from even considering seriously this aspect of the problem. However, we must remember that during the present generation England, a country infinitely smaller in financial resources and ability than the United States, purchased all of South Ireland from the landlords and sold it to the tenant farmers on long terms of payment and at a very low rate of interest. If the Irish problem could be solved as it was by the purchase by Great Britain of all South Ireland from the landlords and its resale to the tenants, as was done, then this country, many times as rich to-day and with vast undeveloped resources which will fast be converted into useful wealth, can afford to face this problem, great as it seems at first thought.

We, for a long period of time, have financed vast reclamation projects to bring into production arid lands. Why can we not now say to each of the States, "If you will appoint a commission, with local representatives in each county of your State, to ascertain and report what area of your land now under cultivation is so unproductive and lacks fertility to that extent, that it is unprofitable to cultivate it, we will advance one-third if you will advance the remaining two-thirds toward purchasing this land upon the condition that the land shall be reforested and made and kept as a part of our national forest reserves."

This program would have many and great benefits, besides accomplishing the direct object, which we have in view of eliminating the export surplus. It would release the farmers cultivating poor, unproductive land from a calling which is uneconomic and wasteful, not alone for them but for the Nation, and in ordinary times there is abundance of employment in this

country and there would be no difficulty in absorbing into other occupations the men who now cultivate these poor, barren, sterile soils.

The country at large has been denuded of its forests. Those of the Northwest were exhausted 20 years ago and then we went South for our lumber supply. The peak of the cut was reached there in 1913, since which it has declined, and local demand, owing to the growth and prosperity of the South, has as steadily increased. We will soon be compelled to go to the Pacific coast for our lumber supply. Indeed, we are bringing lumber from there to-day. With the whole country drawing on the Pacific coast we will be in danger of denuding its forests as we have those of the Northwest and as we largely have those of the South. The country needs new forests. The land abandoned as unproductive for crops in being made a part of the forest reserves will be growing a product which in the end will prove profitable as contrasted with its unprofitable cultivation for crops. Growing, as we will, forests all over the land, we will be providing the best preventive and protection against devastating floods and high, destructive winds and tornadoes. And our water supply will be more even and more certain for all of its varied uses, including navigation. Rain will come more certainly when needed and at intervals when needed. The climate, generally, will be more healthful and rains at regular and needed intervals will insure a more profitable cultivation of crops.

We come last of all to the question whether this problem could in fact be solved in the way suggested. There is provided in the pending bill a fund of \$500,000,000. This multiplied by three, the States contributing twice as much as the National Government, would make a fund of a billion and a half with which to begin operations. But we would not need any such large sum—as a matter of fact, we would need only \$600,000,000—little more than one-third of a billion and a half; the poor land to be taken would not cost on the average, it is estimated, to exceed \$30 per acre, which would enable us to purchase 20,000,000 acres. Estimating that this land has produced, on the average, 10 bushels of wheat per acre, we would in this way and at once take out of the market 200,000,000 bushels, or exactly the amount of the surplus. The estimate of 10 bushels per acre is a fair one in view of the fact that the wheat land as a whole produced only 14.9 bushels per acre in 1927.

I can not hope that my suggestion will be at once adopted. I realize that the present bill will be passed by an overwhelming majority. I believe that the members of the Committee on Agriculture have performed their work in the formulation of this bill with diligence and ability. I commend them for their work. I shall support the bill.

But I believe that the plan I have suggested is a sound and sensible one. It is not based on theories, the working out of which in practice would be unknown. It stands on plain, indisputable facts. I can see, as I have already said, no objection to it except that it is large, but this country is the greatest and richest the world has ever known. It is in a position to attack and to solve great problems. And the plan which I have suggested would in the end be profitable. Let us suppose that this land, taken by the country and by the States, costs on an average \$30 per acre and that it is 40 years before a forest of commercial value is grown. At 40 years a successful forest of pine would be worth \$200 per acre, which would show a handsome profit, taking into account not alone the original principal, but a fair interest charge during the period the forest is growing. [Applause.]

Mr. COLE. Mr. Chairman, will the gentleman yield there?

Mr. DEMPSEY. Yes.

Mr. COLE. According to your statement it seems you think we would have to purchase only 20,000,000 acres of land?

Mr. DEMPSEY. Yes.

Mr. COLE. Is not that a high estimate?

Mr. DEMPSEY. I do not think so, because if you take the average production on wheat in the United States in 1927 you will find it is 14.19 bushels to the acre and probably less. The production probably would not be more than 10 bushels per acre if you would take out the 10,000,000 acres.

Mr. HAUGEN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. MENGES].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 15 minutes.

Mr. MENGES. Mr. Chairman and members of the committee, I feel that we are discussing, if it is anything, the cooperative marketing business for agricultural products to make agriculture prosperous. I think probably that is about the best definition I can give of the purpose of the bill—marketing to make agriculture prosperous. It is the thing we have been endeavoring to do for the past 10 years, and yet up to this time, either because we are following the wrong track or because we were

not together we did not accomplish the object we have in view. The purpose is to keep agriculture and the production of our agricultural crops in the keeping of the small farmer who has not only produced the wealth of our Nation but the magnificent manhood and womanhood of the Nation.

I am in perfect agreement with that idea, that we ought to maintain a farm home such as was established by our ancestors in this country. I come from a district where we have farm homes which were established during the last two centuries and where we had a prosperous agriculture for many years. The reason, I say, we had a prosperous agriculture is that the magnificent farm buildings which are now located on these farms were constructed, some of them ninety, a hundred, and a hundred and fifty years ago. We had there all the comforts and conveniences that were known at the time. Those houses had an open fireplace in every room, which was the method of heating houses 100 and 125 years ago. I say those people enjoyed all the comforts which were in existence at that time. I know that those people made money because those buildings were constructed with the money made on those farms. They had no other way of making money.

In the year 1826, when one of the first systematic tariff laws that we have had in the United States was enacted, the agriculture that existed in the district that I have the honor of representing was prosperous, and during that time, and before and since that time, those buildings that I am referring to were constructed, and constructed with money made on the farm.

By this legislation we are going to endeavor to bring that agriculture back to its pristine condition if we possibly can. We are not going to do it by concentrating and merging the farms into large units, but we are going to try to have the farmer who has a small farm continue to own it and produce agricultural products necessary to feed the Nation, as has been done heretofore.

I believe in maintaining the American home, and I want to say to the committee that I am opposed to any agency which may be brought into existence that will destroy or disrupt that American home. [Applause.]

I am not only opposed to it, but I think it would be the most destructive agency that can be put into operation and would jeopardize the future of the Nation; and I shall do all that is in my power to prevent such a thing being done. [Applause.]

I say we must retain the American home. If we are to do that, we can not eliminate the small farmer as we have eliminated the small manufacturer in our industrial system, and put agriculture in the control of large corporations.

Now what are we going to do? We are going to retain the small farming units and finance the products of the farm by cooperation instead of by large corporations. What is cooperation? The word is a combination of two Latin words—"co" and "operari"—co indicating union and operari work. Now, my friends, if we are going to work in union, we must have somebody behind us who somehow or other can influence us to keep together. At present the farmers are not united. We need some agency that will help us to stay together, and we are going to put the machinery into the hands of the Government to aid us in creating conditions for successful cooperation in order to enable the farmer to market his crops in the manner that the other fellow markets his product. [Applause.] It is proposed to establish cooperative associations and have them composed of and controlled by farmers. We are going to have those unions I referred to, and we are going to have not only cooperative associations but we are going to induce these cooperative associations to organize stabilization corporations which are to be controlled by the cooperatives. That is provided in this bill. I am giving you the ideas that I would like to see put into operation from the standpoint of a farmer. I am not talking as a lawyer or as anybody else, but as a farmer.

As I have said, we want to start stabilization corporations inside of these cooperatives. What is stabilization?

I will give you a concrete illustration. That is the best thing to do when fellows do not know Latin. [Laughter.] Not far from my district some years ago there was a gentleman who had a large crop of apples and he sold them to a buyer who began shipping them to Pittsburgh. The buyer assured the farmer that he had a sale for all his apples; in fact, he had a sale as long as the quantity of apples did not interfere with the price, but just as soon as he sent too many apples and the fellows to whom he shipped them could not sell them at the price that they wanted, he no longer had any sale for them. He concluded he would go to Pittsburgh and see about this matter himself. I am talking about Pennsylvania, and I have a perfect right to talk about that State. He went to see the man to whom the apples were shipped and asked him whether he would not continue to sell his apples for him. The

fellow said, "You have sent too many here already." He asked the dealer, "What price do you fellows sell these apples at?" He said, "We sell them at \$6.50 to \$7 a barrel." The apple grower said to the merchant, "Do you know what I am getting for these apples down in my orchard? I get 50 cents a bushel for them, and I will tell you what I will do. I will barrel the apples, I will put them on the car, and I will pay half the freight, and I will ship them here to you for \$3.50 a barrel. Let us get together on this proposition. You get \$6.50 and I get 50 cents, and that is \$7, if you add them together. I am willing to stabilize the price at \$3.50. You get your apples for less money. I get a living wage for my product, and you can sell the apples to the consumer for less money, and both producer and consumer are benefited. Is not that fair?"

That is stabilization. It is a concrete illustration which anybody can understand who does not even know Latin [laughter and applause], and it is not only that, my friends, it is possible to put the thing into operation.

Mr. WYANT rose.

Mr. MENGES. I am not going to yield. All these fellows want to make a speech when I am making one. [Laughter].

I say, we have there a concrete illustration of stabilization. What do we want these stabilization corporations to do? Get in contact with the man who is in a position to get the farmer's products directly to the consumer and who is honest. Always include that. We are not going to deal with a scoundrel. The most dangerous thing to do that I know of is to deal with scoundrels. I say, deal with honest men, benefit the producer and consumer, and you will see, my friends, you can stabilize the price of the products and get away from these fellows who have been depriving us of the legitimate returns for our products. In this way we will begin marketing, and that is what we are going to try to do under this bill.

Now, we are going to do another thing. We are going to establish a clearing house. What is a clearing house? That is not Latin either. [Laughter.] You bankers know. I am not a banker, and therefore I ought not to know anything about it, and maybe I do not, but over here in my district and in the districts of other gentlemen from Pennsylvania we produce a lot of apples, which we ship out of that section. Suppose we ship apples to Philadelphia and we get one carload too many in there, what will happen? Down will go the price. But suppose we are on the lookout to see if we can not find up in Scranton a place where we can ship a number of carloads of apples that will not interfere with the price in Philadelphia, and we find that this can be done and a fair price secured, and the apples go to Scranton.

Do you not see we are then acting as a clearing house? We are selling apples where there is a demand for them [applause], and we are getting the machinery of the bill we are talking about into operation.

There is another feature in this bill that I want to refer to, and that is the insurance feature of the bill. I am not so sure that that feature is as safe as the ones previously discussed.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HAUGEN. I am sorry I can not yield the gentleman further time.

Mr. Chairman, I yield five minutes to the gentleman from Porto Rico [Mr. DAVILA].

Mr. DAVILA. Mr. Chairman, I ask unanimous consent to have read in my time a letter which I have written to the gentleman from Wisconsin [Mr. FREAR].

The Clerk read as follows:

UNITED STATES HOUSE OF REPRESENTATIVES,
Washington, D. C., April 23, 1929.

Hon. JAMES A. FREAR,

House of Representatives, Washington, D. C.

MY DEAR MR. FREAR: I have read with interest your speech before the House on April 20. I have also read your bill (H. R. 963) providing a bounty of 2 cents a pound for domestic producers of sugar.

In your opinion, a 3-cent duty on sugar will stimulate production in the Philippines, Hawaii, and Porto Rico. Regarding Porto Rico, I want to state that we have reached the limit of production. We are producing at present 700,000 tons of sugar. The increase in production is due principally to the growing of disease-resisting canes. I believe that we will never be able to produce more than seven or eight hundred thousand tons of sugar.

According to your information, profits to 20 per cent is reported on Porto Rican sugar stock. If your statement is correct, I am sure that this profit is received only by the big corporations on account of the volume of the business they control. These sugar factories are principally owned by stockholders residing in continental United States. But the Porto Rican cane grower, the colono, is a tributary to these sugar factories, and under the present conditions can hardly cover the

expense of production. Cost of production in Cuba can not be compared with the cost of production in Porto Rico.

In the investigation conducted by the Tariff Commission in 1922 and 1923, it was determined that the weighted average cost of producing Porto Rican sugar f. o. b. mill, excluding interest on investment, was 5.1993 cents per pound, of which 3.8866 cents per pound represented the cost of cane. The cost of Cuban sugar was 3.3117 cents per pound, of which 2.3832 cents was for cane, or a difference in favor of Cuba of 1.8876 cents per pound. This difference was greater by 0.1228 cent per pound than the preference Porto Rico had over Cuba by the tariff of 1.7648 cents per pound on Cuban sugar and was more if marketing and freight costs to New York were added.

Higher costs in Porto Rico are due to the higher wages paid to agricultural laborers, to the necessity for constant use of fertilizers—practically none of which are needed in Cuba—the necessity for irrigating canes (the government irrigating projects being paid for by the farmer by way of taxes and water rents), and, as American ships must be used for transporting Porto Rican sugar, higher freight rates, and higher taxes.

Cuban soil is of much greater fertility than the soil of Porto Rico. There is more abundant rainfall there. Cuba still has large tracts of virgin land producing good crops year after year without replanting and without fertilizer. Porto Rico has no virgin land; most of the cane lands have been under cultivation for 50 years or more. Replanting is necessary nearly every year, and oil, coal, and other supplies are higher in Porto Rico than in Cuba.

Of course, labor in Porto Rico is much cheaper than in continental United States, but it is higher than in Cuba. You say that "Porto Rico has been colonized by our Government to the extent of being permitted to have complete trade relations and, like Hawaii, without any import duties being levied." If we compare the high cost of living in Porto Rico with the benefit derived from the tariff on sugar, the balance will not certainly be in favor of our country. I refer you to my remarks printed in the RECORD on March 2, 1929, copy of which is inclosed. The high cost of living prevailing in the United States on account of the tariff can hardly be borne by the poor people of Porto Rico. This is a rich country and can afford to pay, while Porto Rico can not. Our only compensation is the tariff on sugar, and, unfortunately, the benefits therefrom are not received by the Porto Rican growers under the present rates.

I disagree with your statement that "no one can fairly say that the ties that bind the Philippines and Porto Rico to the United States are closer than those which tie us to Cuba." Regarding Porto Rico, I can not allow your statement to go unchallenged. I do not intend to deny that this country is bound by every consideration of honor and expediency to pass commercial measures in the interest of Cuba, as it is stated in your quotation from President Roosevelt. But that does not mean that a country under the American flag and populated by 1,500,000 American citizens can be placed on the same footing as a foreign country. If what you say is true, it does not mean anything to be an American citizen or to belong to this country.

I know your fairness and spirit of justice. I am aware of your interest for the welfare of Porto Rico, and I really believe that in your efforts to explain to the House the purposes and scope of the proposed legislation you have forgotten the status and real conditions of the people of Porto Rico. Poor Porto Rico can never be a menace to the sugar producers of the United States.

Very truly yours,

(Signed) FELIX CORDOVA DAVILA.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. VESTAL].

Mr. VESTAL. Mr. Chairman, I want to take just a few minutes to call the attention of the committee to section 5 of this bill. This is the section that has to do with the authorization of an appropriation of \$500,000,000 to be made available for these different associations.

I think the committee has attempted to cover the point I am raising here, but I do not believe the language is sufficiently clear.

The specific language I want to call the committee's attention to is paragraph 3 of section 5. It reads as follows:

(3) No loan for the construction or purchase or lease of such facilities shall be made unless the cooperative association demonstrates to the satisfaction of the board that there are not available for its use at reasonable rates existing suitable storage or other physical marketing facilities.

I do not know why the word "rates" is used here.

Of course, I do not believe it was the intention of the committee or Congress to pass any bill to permit the loaning of large sums of money to cooperative associations to build new facilities if it is possible to make use of the facilities already in existence.

Mr. ANDRESEN. Will the gentleman yield?

Mr. VESTAL. I yield.

Mr. ANDRESEN. I may state that the committee has in mind and probably will offer an amendment in connection with

this subdivision so as to clarify the proposition, and specifying particularly that, first, the cooperative associations are to lease facilities if they can secure them at a reasonable rate, and if they can not secure them by lease then they are authorized to purchase, provided the purchase price is reasonable and fair, and then if it is the cooperative association will be permitted to go ahead and construct the buildings.

Mr. VESTAL. I am glad to hear that—I had in mind to offer an amendment because I wanted to specifically provide in plain and unmistakable language that it will not lend itself to a double meaning—that it is the purpose of Congress that no money shall be loaned by the Federal farm board to any cooperative association to construct new facilities unless the corporation or association asking for the loan proves to the board that it could not purchase or lease such facilities, already in existence, suitable for the purpose.

There are millions of dollars invested in elevators and storage plants all over the country and we do not want to put the owners of those into bankruptcy. I do not think that money ought to be loaned to build any new facilities except in cases where they can not make use of the facilities already in existence.

Mr. KINCHELOE. Will the gentleman yield?

Mr. VESTAL. I yield.

Mr. KINCHELOE. The committee spent a half day on that amendment, and will offer the amendment, as the gentleman from Minnesota has stated. The purpose is twofold. The first is that there ought not to be any money loaned to erect facilities where they can get them at a reasonable price. Secondly, we do not want to put the individual man out of business who owns an elevator across the street and cause him to lose the earnings of a lifetime.

Mr. VESTAL. I am glad the committee has that in mind, because I do not think the language is plain.

Mr. LINTHICUM. Will the gentleman yield?

Mr. VESTAL. I yield to the gentleman from Maryland.

Mr. LINTHICUM. What would be the objection to loaning money to an individual, firm, or corporation who is doing the identical thing for which this bill is written? If they can give the same service and serve the same purpose, why not loan them the money to carry it on?

Mr. VESTAL. I see the gentleman's point, but I am interested in the rewriting of this paragraph so there will be no question of the intent of Congress concerning the loaning of money to build new equipment; that is to say, wherever possible the equipment now in existence shall be utilized.

Mr. COLTON. On the other hand, where there is no adequate facilities it ought to be plain that they are entitled to the loan.

Mr. VESTAL. I think the bill provides for that, but I was referring to the language in this particular paragraph.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. SPROUL].

Mr. SPROUL of Kansas. Mr. Chairman and members of the committee, the people of Kansas are doubtless wondering what, if anything, Congress is actually doing at the special session for agriculture in the great mid-western agricultural States.

Everyone in those States has been given to understand that agriculture is in a serious condition in relationship to manufacturing and other businesses. Many people, however, have not had the situation explained to them. They have merely assumed or taken it for granted that there was something wrong with agriculture, and this notwithstanding a small percentage of the farmers and many of the cattlemen have been reasonably prosperous during the past few years. Knowledge on the part of President Hoover and the leaders of both parties of the existence of an objectionable condition in the Mississippi Valley agricultural States has brought about special pledges by both political parties in the recent campaign to aid agriculture. I insert a statement of the relative increases in wealth of the northeastern manufacturing States during 15 years from 1912 to 1927.

Relative per cent of wealth increase of States during 15 years, 1912 to 1927, and House representation

MID-WEST AGRICULTURAL STATES

	Per cent	Number of Representatives
North Dakota.....	18	3
Nebraska.....	48	6
Minnesota.....	64	10
Iowa.....	40	11
Kansas.....	41	8
Oklahoma.....	31	8

Relative per cent of wealth increase of States during 15 years, 1912 to 1927, and House representation—Continued

MID-WEST AGRICULTURAL STATES

	Per cent	Number of Representatives
Texas.....	66	18
Illinois.....	49	27
Missouri.....	83	16
Arkansas.....	57	7
South Dakota.....	134	3
Total.....		117

NEW ENGLAND, NORTHEAST CENTRAL, AND MIDDLE ATLANTIC MANUFACTURING STATES

	Per cent	Number of Representatives
Maine.....	109	4
New Hampshire.....	121	2
Vermont.....	74	2
Massachusetts.....	115	16
Rhode Island.....	106	3
Connecticut.....	137	5
New York.....	53	43
New Jersey.....	107	12
Pennsylvania.....	86	36
Delaware.....	118	1
West Virginia.....	103	6
Ohio.....	113	22
Indiana.....	114	13
Michigan.....	129	13
Wisconsin.....	91	11
Total.....		189

It will be observed that the manufacturing States have increased their wealth two or three times as much during the past 15 years as the agricultural States have. This difference in the increase of wealth of the manufacturing States over that of the agricultural States has been due to the lack of the farmers' produce bringing as much money as it should bring on the market. A certain quantity of farm produce which should bring \$1 or which should be on a parity with the prices of manufactured goods or railroad service only brings to the farmer about 80 cents. In other words, it has been bringing about 80 per cent of what it should bring. This prejudicial condition against agriculture is often illustrated by saying that the farmer has an 80-cent dollar with which to purchase the things required by him and with which to pay taxes and other obligations, while the manufacturer and nonagriculturist has a hundred-cent dollar with which to purchase, pay taxes and other obligations. This reduced valuation of the farmers' property and products has cost the farmers generally in property values something like \$20,000,000. Several things have helped to bring this condition about.

The farmers number from five to seven millions and are scattered about over the 48 States. For this and other reasons it has been impossible for them to form themselves into cooperative associations through which to fix their prices and sell their produce, whereas the manufacturing, food and clothing consuming States and cities have been able to fix the prices of their produce or whatever they have to sell. Another reason for the farm condition among the great agricultural States is that there is little or no benefit derived by them from the protective tariff. This section of the country produces the great bulk of the wheat, corn, cotton, beef, and pork. These farmers are so far away from the big market centers that the freight rates also work against them.

There are farmers, plenty of them, in the great manufacturing States, but on account of their nearness to the big markets they have really no farm problem of any consequence. They are where they can profitably diversify their farming to meet the requirements of the near-by markets.

To adjust these adverse conditions, the special session of Congress has been called. It has been proposed to enact a farm bill providing for a farm board and for the encouragement of the organization of cooperative associations with the suggestion that by functioning together they could control the price of their produce and could orderly market it in such way as to increase the price of their produce until it reached a parity with the price of nonagricultural products, but the farm bill reported to the House contains a provision to the effect that no money shall be loaned by the farm board to cooperative associations if by so doing it would have a tendency to increase the produc-

tion of the products. It is manifestly necessary that the price of farm produce be raised something like 20 cents on the dollar in order to equalize it with manufactured goods in purchasing and tax and debt-paying values. It is therefore difficult to understand how farmers can be induced to become members of cooperative associations through which to hold and market their produce at a better price, when they are told by the bill under consideration, H. R. 1, that no money will be loaned by the farm board if the price of the produce is to be raised.

This part of the bill denying loans when the result would be to increase the production of the commodity handled by the cooperative association is very objectionable to the cooperatives and to the farmers generally in the mid-West, because unless they may increase the prices of their produce and get more money for it, the bill can do no good. In this connection we may suggest that Members of the House from the big cities and farm produce consuming States are more enthusiastic for this bill than are those who represent the great agricultural States above mentioned. From a reading and study of these facts the question naturally arises in the minds of our farming people and others similarly interested, Why is it that bills are not reported to the House which will provide a method for actually raising the value of the mid-western farm produce to a parity with the produce from the manufacturing States? This is a very interesting and pertinent question.

It was suggested by President Hoover in his message that there be such raises made of the duties on imported farm products coming into competition with the products of our agricultural States and also such reductions of the tariff duties on the articles manufactured which the farmers have to buy, as would greatly aid in raising the value of the mid-western farm property and produce. The Representatives from the mid-western States above listed have not been able to induce the reporting of bills which, in their minds, will very materially help the farmer. Naturally, the Kansas people, including the farmers, are interested in knowing why such agricultural bill and such tariff bill are not prepared and reported to the House, in view of the issues in the last campaign and in view of the promises of the President to call a special session to enact such bills, and in view of the fact that the special session actually has been called to enact such legislation.

Another question which arises in the minds of the people in the agricultural States is why the Congress does not change the membership of these two great committees so that the mid-western agricultural section is not better and more fairly represented. I have inserted in the statement above the number of Representatives from the different agricultural States and the number from the manufacturing and consuming States and cities. It will be observed that the agricultural States have only 117 Members while the manufacturing States and large cities have 189 Representatives, or a majority of 72 in favor of the manufacturing States.

And still another question that comes to the minds of the farmers is just why the Representatives from the north central and northeastern manufacturing States are unwilling to enact such legislation as will raise the parity of the property and produce values of the farmers to an equality with that of the manufacturers. A short time ago a very prominent farmer in our district asked these questions also, "Why are all the big newspapers in the United States bitterly opposed to legislation in behalf of the farmer?" and "Why are all the big industrial companies opposed to legislation for the farmers?"

These are surely interesting and pertinent questions. The United States under the protective-tariff system which we all indorse has been building up great manufacturing interests, naturally and logically located in our coastal territories. These manufacturing industries are not only expected to supply the United States market but also as much of the foreign market as possible. Our Government has been appropriating annually more than a million dollars to pay high salaries of traveling salesmen to make the different foreign markets, seeking sales and orders for American-manufactured produce. It is contended that in order that our manufacturers may be continuously able to compete in the production of their produce with foreign markets it is quite essential that American agriculture be in a dependent condition; that the prices of American farm produce be subject to the power of the manufacturing interests so that the market supply may be regulated and the market price also regulated to meet the requirements of the manufacturing and other big industrial interests.

The owners of the railroads largely live in the northeastern part of the country. The owners of the large automobile concerns live in the Northeast. The owners of the General Electric, largely live in the northeastern part of the country. The owners and controllers of the great trusts live in the Northeast

and in the large cities of the United States. Those who own industries which employ the greatest amount of labor live in the northeastern part of our country. All the large cities where the large newspapers are owned and operated constitute farm produce-consuming areas and the populations as well as industries which employ labor. This illustrates why the great newspapers are opposed to agriculture ever becoming independent as an industry and why the price should be cheap. The big industries employ more than a million and a half of laborers. If the price of their food and clothing were increased 20 per cent which is necessary to put farmers on an equality with the manufacturers, the laborers might ask for an increase in wages and if they did so, it might have to be granted and if the demands of labor for higher wage be granted, where would the money come from to pay it except from the dividends of the stockholders? And if the stockholders should rebel and not wish to pay it but wish to pass it on to the consumers, the directors would reply that the manufactured goods were being sold at the highest price at which the public would buy, and there could be no passing on of the increased price.

The railroad owners which employ thousands of employees get their freight just the same whether the farmer gets much or little from his produce; but if the price of living to the employees were increased and the wage increase should follow, the railroad owner would become interested; so he gets interested in advance and opposes farm legislation.

Looking backward over the history of farm legislation during the past four or five years we can recall the wonderful interest manifested by the heads of certain great industrial concerns on the question of farm legislation. The Haugen farm bill was viciously opposed by all who represented the consuming cities and States. The real reason for the opposition was not that the bill would not work but that it would work.

While the House farm bill and the House tariff bill are supposedly in the interest of the depressed farming industry, yet they can not be identified as such in fact. It is true that there have been a number of increases made in the duties on imported farm products, but in many of those instances the increase will do the farmers little good. There is no tariff duty which aids the wheat farmer nor the corn farmer nor the cotton farmer. The increased duty on cattle is material and will be a material aid to the cattle industry, but the duty on hides will only aid the packers.

There are hundreds of increases in the duty on the things that the farmers buy where there are few of a beneficial character on the products he sells. The little increases on dairying and poultry products will not constitute a material help.

Kansas and other Midwestern States will have to build up their industries and create manufacturing centers where the goods they have to buy may be manufactured and where their produce may be consumed. Their other problems will have to be solved through cooperative associations. The farmers and others in the agricultural States will have to combine, cooperate, and form mergers just as other business is doing. The manufacturing States are going to help themselves only.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. CAMPBELL].

Mr. CAMPBELL of Iowa. Mr. Chairman, ladies, and gentlemen of the committee, the first thing I wish to do is to compliment the Agriculture Committee on the work that they have done in the past few years. We from Iowa are proud of your silver-headed chairman, Mr. HAUGEN, of our own State, who has a wonderful service of 30 years in this assembly and whom we all love and hope will be with us at least 30 years more. [Applause.]

Now, it may seem somewhat preposterous for me, as a new Member of this assembly, to try and tell you something new in regard to the effects of the measure which we have under consideration here at this time, and I wish to assure the Members of this House that I do not intend to take up the time in the future in speaking on every measure that is presented here. However, we have before us to-day a subject which is very near and very dear to my heart.

I heard the speech of the gentleman from Illinois [Mr. WILLIAMS], in which he told us that he had come from a family which had followed the honorable occupation of farming all their lives. I, too, like him, was born and bred under agricultural surroundings. My ancestors since the early days of this country have followed the farming industry. From New England they migrated to Illinois, and after the Civil War, in which my father participated, as a young man he followed the advice of Horace Greeley, who said, "Go West and grow up with the country." In a covered wagon and with one of his boy friends he drove across the plains of Iowa and located in Ida County.

At that time there were no railroads in that country, and he tells me that as he drove along he came to the top of a small hill and there looked down upon one of the most fertile valleys that God ever created; he saw the June grass, which looked to him like wheat, gently waving in the breezes. He located in that valley, built him a sod shanty and sod barns; with an ox team he plowed that virgin soil, and was one of the pioneers who created those wonderful farms which we have there to-day.

From the very beginning prosperity and contentment were his. He brought to that home my mother and reared his family. As the years passed on this sod shanty and the sod barns were replaced by more modern buildings, and when he died in 1900 he left to his children and to his wife a heritage of a portion of Iowa's fertile soil. The prosperity and progress that came to him came to us, and from 1900 until 1920 progress and prosperity abounded on every side. There was built there in that community from its early days to 1920 not only fine homes and produced not only fine cattle, fine horses, and fine hogs, but a citizenship which was the pride of the country, the State, and the Nation. The free air of the country and the life close to nature had brought forth a God-fearing, sturdy, loyal type of womanhood and manhood, and then there came to us the deflation period beginning in 1920.

We, the people of Iowa, think we know the causes and the reasons that brought on that deflation; however, I do not care to discuss that matter at this time, and as some one said, "let the dead bury its dead," but I can only say as I look back and see the wrecks and financial ruins that were brought on, it makes my hair stand on end. But let that be as it were. The people of the great Middle West looked about to see their banks breaking, their people going into bankruptcy, and a feeling of resentment came upon us. Only those who had laid up a surplus were able to withstand the storm and in that period and under those conditions they looked down here to the National Capital for relief. Some say that the only way to relieve the farmer is for the farmer to relieve himself, but as other speakers here have said, this great national legislative body had legislated for industry by virtue of the tariff, had legislated for labor by the Adamson Act and the immigration laws, had legislated for the railroads by the Esch-Cummins Act, and now in their plight they had asked that some legislation be produced and enacted into law that would give them a chance to enjoy the benefits of this wonderful, rich Nation.

After considerable agitation on behalf of the farm organizations and finally the commercial clubs of the Middle West it was brought to the attention of the people of the other parts of the country that perhaps if this country was to prosper that it was necessary that something be done for the agriculture interests. There was passed in Congress the McNary-Haugen bill, with its equalization fee, only to be vetoed twice by the President of the United States. In the last campaign both of the candidates for the presidency of the major parties told the people that they realized the conditions that existed and if elected they would attempt to further such legislation as would bring agriculture on a par with industry and labor. Herbert Hoover was elected and pursuant to his pledge he has called this session of Congress in extra session at an early date in his administration for the purpose of enacting that legislation which shall be beneficial to our people.

As I study the measure before us and compare it with the other measures which have been presented in the past, I can not help but still hold faith in the principles as outlined by the McNary-Haugen bill with its equalization fee. Under that plan, as the gentleman from Oklahoma has said, it brings all of the farmers into the cooperative movement. I shall not discuss its economic value, nor that of the debenture plan, as those matters have been threshed out here on the floor and on the public platform for the last four years, so in devoting my time to the bill before us I wish to say that it will, in my opinion, do much good to the cause in which we are interested.

We in northwestern Iowa are more interested in the prices of corn and hogs and cattle than we are in the price of wheat, but we have learned in these years of trial to extend our efforts beyond the realm of personal interest, and I wish first to take up the subject of corn.

I was agreeably surprised when I found that there had been reported from the Agriculture Committee a bill providing for a fund of \$500,000,000. (Let me stop a moment to say that it had the support of all of the Democrats on that committee with the exception of 2 in a committee of 21 members.) It is a tidy sum and a sum that if put to work in the right direction ought to do considerable good. Our exportations of corn are so small that it would not require the great cooperative movement that it does in wheat to bring about a price which would be favor-

able to the production of corn or the world price plus the tariff, and I wish to say here that in looking for this relief, which can not only be assisted by virtue of the stabilization of this product, I ask again the privilege of quoting some of the figures and statistics as furnished Saturday in the speech made by Congressman HULL of Illinois. He sets out in clear, convincing language the fact that if we would place a sufficient tariff upon not only corn but those products which are imported which come in competition with corn that immediately there would be used in this country all of the corn produced within its borders; he sets out the fact that the importation of soy-bean meal and oilseed cake amounted to 250,785,854 pounds, and that these imports are equivalent to 16,719,056 bushels of corn free of duty; that sesame oil, an edible oil answering similar purposes and competing directly with corn oil, is on the free list, and that these importations for 1927 amounted to 1,704,129 pounds, equivalent to the importation of 1,217,233 bushels of corn; he sets out the fact that in the matter of sugar that if the tariff wall was high enough there could be used 43,000,000 bushels of corn in producing this product alone. His speech on this matter is set out on pages 184, 185, and 186 of the CONGRESSIONAL RECORD of the House under date of April 20, 1929, a speech well worth reading, and a convincing argument of what really could be done for agriculture by the raising of the tariff. He shows the total of such importation is equal to over 125,000,000 bushels of corn, far in excess of our exportations. The example of the benefits of the tariff is the position that the tariff has brought to the cattle and sheep industry of this country.

I believe myself that there is no better method than this method to better the price of that product. We, here in this country, can not compete with Argentina and the other corn-producing countries with their cheap land and their cheap labor and still hold the high standard of living which we now have in this Nation.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Iowa. Yes; though I do not wish to take up much time of the committee.

Mr. RANKIN. The gentleman, I think, speaks of the tariff on wheat. I wonder if the gentleman knows that wheat is comparatively lower in Chicago than it is in Winnipeg, with the 40 per cent tariff on wheat?

Mr. CAMPBELL of Iowa. Oh, the gentleman from Mississippi has not been following my speech very carefully, because I have not touched on wheat. I wish I had the opportunity to touch on wheat. We are corn farmers out our way in my district, and we think we know what we want, and I believe you gentlemen from the East are willing to give it to us.

Now, let us turn to the subject of wheat, of which I am personally, and a good many of my constituents, interested. Wheat, unlike corn, is produced on such a large scale that a goodly proportion of the crop is exported. For us to believe that the measure before us, if enacted into law, will bring about the world's price, plus the tariff, would be a dream; however, the argument that this bill will not bring about a better condition in this industry is wrong. I went to Canada this last summer to find out something about the pool. I found that those farmers who had entered the pool had received some two to seven cents per bushel more for their product than those who had not entered the pool, and I found on every hand in the wheat-growing district those who had not joined this great cooperative movement rushing into its membership to receive its benefits. I found that the charge in handling the grain was far less than here in the United States, that they had affected a great bargaining power in which way they were able to deal directly with those buying large amounts.

I believe that this bill will bring about a great saving in this manner. I believe that the educational features, not only in cooperative marketing but in bringing to the attention of the farmers the amounts of the carry-over and world wheat on hand, and the conditions of the crop in foreign countries as well as our own, will help in the regulation of the production and the prices. The farmer is a busy man, and he needs these matters brought before him from day to day in a plain, detailed manner.

Now, when we are talking about the relief to the farmer, we must not lose sight of the cost of transportation. There was set out in the Year Book of 1921 (Agriculture), on page 8, a diagram of the relation of the prices that the farmer received in comparison to the prices that the transportation companies received for the carrying of the product, and since that time, in my judgment, that a variance has increased as against the farmer.

This great Nation, in its world's progressive movement and in the advancing of civilization, built the Panama Canal; and although its natural benefits were great, it was a bugbear to the producers of the Middle West. The products which for-

merly were sent from the west coast to the east coast over the railroads are now sent by water transportation from coast to coast at a greatly reduced cost. The final results were that the peak prices of transportation fell upon the central part of the country, which had no river transportation.

In the last campaign again the two candidates for the Presidency of the major parties promised us their support in bringing about the ultimate realization of river transportation. I am frank to say that up to the last two years I had not studied this phase of the subject in conjunction with farm relief; but I wish to say now that I am firmly convinced that if the great waterways of the Middle West could be opened by 9-foot channels for the purpose of establishing barge lines along the Missouri, the Mississippi, and the other rivers to the Gulf of Mexico, it would bring about, especially in my district, a reduction in freight rates on agricultural products of at least 10 cents per bushel, which would mean in that upper district of the Missouri a saving of some thirty to fifty millions of dollars per year to the farmers of that part of the country. It does not only benefit the farmer in that which he sells, but also in that which he buys. As I came East here, and driving along your coast and seeing these wonderful industrial cities, I find that they are all built adjacent to the waters, and have been built there in those places for the reason of their ready access to water transportation. I do not believe that we in the upper Missouri and upper Mississippi districts have, as a whole, been alert to the great possibilities of this inland navigation; and as we have fought for the past in mass side by side for the farm relief measure, so should we in the future bend every effort toward an early consummation of river navigation. It seems to me that it is one of the outstanding pledges of both the Republican and Democratic Parties, and why delay its ultimate realization; and I say to you as Members of this House and to this administration that there can go down in the future history of this country a record for national accomplishments such as has not been realized in the past if we bring about within the next four years the final consummation of this great project.

There is another feature of the bill which is all powerful and far-reaching, and that is the character of the men who constitute this board. I realize that this solemn duty so far as their appointment is concerned falls upon our great President; that he will be equal to that task I have no fear. The question of the terms of office do not affect me—the President should have the right to remove a man from the chairmanship of that important board who he feels has not been faithful to the trust which falls upon him. Some men who are apparently a great success in the business world, or in the organization field, might be appointed, who, due to some reason might fail in this position, so I say as I have said before this should be left to the President.

You know as you build a home, the first thing that you build is the foundation; you run in solid concrete, you are careful of the mixture of the sand and the cement, careful in getting together just that right proportion which when hardened will form the solid mass on which the structure is to rest. This whole measure is centered upon the foundation of this board and the appointment of the proper officials to carry on the provisions of the bill. No appointments that the President of the United States will make during his term of office will be more important than these. Let us not be too quick, as this bill becomes a law, to censure and advise. The bill carries with it fairly good remuneration for those who serve on the board. It is not a common political job, it should not be partisan, but of all it should not be political. So when we are advising and carrying the petition of our numerous friends to the President and asking him to appoint certain friends of ours to these positions, let us for once be very careful of our recommendation.

Mr. RANKIN. Mr. Chairman, will the gentleman yield for one more question?

Mr. CAMPBELL of Iowa. Yes.

Mr. RANKIN. In discussing the corn question with reference to the tariff. What benefit do the corn growers get now from the present tariff on corn?

Mr. CAMPBELL of Iowa. It is largely a question of supply and demand with us. We have such a small exportation that it does not affect our price very much at all.

Mr. RANKIN. Is there anything in this bill that would raise the price of corn above the world level? Does it not just stabilize the price and hold it at the world level?

Mr. CAMPBELL of Iowa. No. I will tell you in this bill, so far as that is concerned. You notice that I have been telling you all of the time to keep out these importations that could be used in corn products so I will answer the gentleman, that if he will help us keep these out, if he will be a tariff man for once, then we will have a demand and a supply right here in our own home. [Applause.]

Is this bill perfect? No. It is an adventure into a new field. It serves as a basis which can from time to time be amended to correct the errors, and to supplant the needs as they are brought forth. It is a start in the right direction, and I believe that the 30,000,000 people who are engaged directly and indirectly in the honorable occupation will feel a sense of gratification toward their legislators and toward the President who has started us down the road to better conditions.

As one whom I have said in the beginning of this address has the interest of agriculture at heart, I believe that the clouds of depression are about to move away and that the sunlight of prosperity is about to cast its benevolent rays upon the great Middle West, and when that prosperity comes to us it will reflect to every part of the land—the East, the West, the South, and the North alike, and I hope that the administration of Herbert Hoover will go down in history as the golden era of prosperity. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield now to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, under section 9 of the bill (H. R. 1) to establish a Federal farm board, and so forth, the President is authorized by Executive order to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of any office, bureau, service, division, commission, or board in the executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities.

This is a wide-open, sweeping provision under which the President might seize upon and transfer to the farm board a large number of activities which by law have been placed in the Department of Agriculture and in the Department of Commerce. Indeed, the provision is so sweeping that if the President should exercise it to the full limit of the authority sought to be granted the activities of the board set up would practically disrupt and destroy a large part of the services now rendered to the American people by the two departments referred to.

I have always doubted the validity of a law authorizing the President to transfer from one department to another activities the duties, functions, and location of which have been fixed by law, particularly where such activities are not named. The validity of such a law becomes increasingly doubtful where it enjoins upon the department head under which the activity has been placed certain definite and specific duties with respect thereto.

According to a chart which has been on exhibition in the Speaker's lobby, purporting to show the set-up of the proposed farm board, such board would take over the Division of Cooperative Marketing in the Bureau of Agricultural Economics, created by the act of July 2, 1926, United States Code, page 1895, sections 451 to 457, inclusive. The function of this bureau, as defined by law, is to "render services to associations of producers of agricultural products, and federations and subsidiaries thereof, engaged in the cooperative marketing of agricultural products, including processing, warehousing, manufacturing, storage, the cooperative purchasing of farm supplies, credit, financing, insurance, and other cooperative activities."

The duties of the division are then defined under seven sub-heads, setting out clearly and specifically the work which the division of cooperative marketing is to undertake. Among other things, the act authorizes the Secretary of Agriculture, in his discretion, to call in advisors to counsel with him with respect to the specific problem of cooperative marketing of farm products.

It also provides that the Secretary of Agriculture shall make such rules and regulations as may be deemed advisable to carry out the provisions of the act, and for cooperation with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, and so forth.

Now, these duties are laid upon the Secretary of Agriculture by law. Under the bill as it now stands, even assuming that the provision itself is constitutional, no specific authority is granted to the board to carry out the functions now exercised by the Secretary of Agriculture.

Another bureau which it is proposed to take over, according to the chart, is the Bureau of Foreign and Domestic Commerce in the Department of Commerce, created by the act of August 23, 1912 (U. S. C. p. 371, sec. 171). Under this act specific duties are laid upon the Secretary of Commerce with respect to the functioning of this bureau. Only a portion of the activities of the bureau relate to agricultural marketing. Is it the intention that the integrity of this bureau shall be shattered and that that part of its activities relating to agriculture shall be segregated from the other activities of the bureau and be placed

under the Federal farm board? If that is the intention, the wisdom of it might well be doubted.

The extension service of the Department of Agriculture is now largely carried on through the land-grant colleges. The bill authorizes this to be taken over. The President would also have authority to transfer all attachés of the Department of Agriculture now operating in foreign lands and place those under the supervision and direction of the board.

Numerous other examples may be cited.

It is not my purpose at this time to attempt to defeat the purposes of this section, but if this section is to remain in the bill its language should be clear and definite as to what may or may not be done by the President. As it now reads, there is no authorization for the President to transfer the records, supplies, equipment, or appropriations for the activities which the President might seek to transfer. The section does provide that the order directing any such transfer or retransfer shall designate the records, property—including office equipment—personnel, and unexpended balance of appropriations to be transferred, but there is no authorization for the order itself.

Neither does the section specifically provide that the duties performed by the heads of executive departments with respect to the activities which the President is authorized to transfer shall thereby vest in the Federal farm board.

In view of this situation I have prepared an amendment to the section which I believe will make the purpose of the committee clear. The amendment is as follows: On page 15, line 19, strike out the period, insert a comma, and add:

together with any part or all the personnel thereof, and the whole or any part of the records, supplies, and equipment belonging thereto; and in every such case all duties performed and all power and authority possessed or exercised under existing law by the head of any executive department in or over any activity so transferred shall be fixed in and exercised by said board.

The President is also authorized to transfer to the administrative control of said board any unexpended balances of appropriations for any activity so transferred and to retransfer same should any activity be retransferred; and—

So that the section would read:

SEC. 9. The President is authorized by Executive order to transfer to or retransfer from the jurisdiction and control of the board the whole or any part of any office, bureau, service, division, commission, or board in the executive branch of the Government engaged in scientific or extension work, or the furnishing of services, with respect to the marketing of agricultural commodities, together with any part or all the personnel thereof, and the whole or any part of the records, supplies, and equipment belonging thereto; and in every such case all duties performed and all power and authority possessed or exercised under existing law by the head of any executive department in and over any activity so transferred shall be vested in and exercised by said board.

The President is also authorized to transfer to the administrative control of said board any unexpended balances of appropriations for any activity so transferred and to retransfer same should any such activity be retransferred, and the order directing any such transfer or retransfer shall designate the records, property (including office equipment), personnel, and unexpended balances of appropriation to be transferred.

At the opportune time I shall offer the amendment here proposed, and I am suggesting it now so that the members of the Committee on Agriculture and of the House may have notice of the proposed amendment. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BRAND].

The CHAIRMAN. The gentleman from Ohio is recognized for 10 minutes.

Mr. BRAND of Ohio. Mr. Chairman and members of the committee, I am one of those who have fought and bled during the last six years for the principles of the McNary-Haugen bill for the purpose of giving to agriculture the tariff on surplus agricultural products and to give to agriculture a better marketing system by control of the surpluses. That bill was twice vetoed by President Coolidge.

What we have done in the last five or six years is to get the attention of the country riveted upon the farm problem and finally to get those who were opposed to the McNary-Haugen bill to agree on the substitute that is before us and I am sure that the vote on this bill will prove that they have agreed.

This bill before us is formulated upon a plan that will help the farmer as much as it can without raising the price of food to the consumers of the country. I do not believe it is the intention of the promoters of this measure to make the tariff effective on surplus products because everybody knows there would be a great loss in handling the surpluses if that is done and

there is no provision in this bill to pay such losses except out of the Treasury and that loss would amount to about \$200,000,000 per year, and it is almost useless to think that Congress would supply such a loss annually to a permanent policy.

If we are to adopt the debenture plan or the principles of the McNary-Haugen bill, we must, at the same time protect the Treasury against loss. Any other plan leads to chaos. My own idea is that it is wise to give this administration exactly the tools it wants to work with and no amendment should be made to this bill that interferes with or redirects its purpose. The responsibility is great enough if the President has what he wants. The farmers wanted the tariff made effective and they wanted to pay the loss resulting themselves, and refused a subsidy of any kind but that is not the direction in which we are going.

But, nevertheless, this bill can be used to do a great deal of good for agriculture. It has two ways of doing it. First, stabilization corporations. Now, what could they do? I believe they can do less for wheat than for any other product. Wheat, in the nature of things, sort of stabilizes itself, because wheat is coming in every season of the year from some quarter of the globe, and we only produce one-third of the wheat, and the manipulation of our wheat crop will be much less effective than on some other crops. For example: If we hold a portion of our wheat for six months, we will sell it in the winter, when Australia and the Argentine are selling their surpluses. However, there is a way under this bill to help the wheat farmer. There is only about 2 cents' worth of wheat in a pound loaf of bread that sells in the United States at from 8 cents to 9 cents. I have documents in my office showing that the United States Government was producing bread at as low as 1½ cents per pound for materials used.

In an investigation in Europe I found bread selling in England and France, Italy and Greece on an average of less than one-half the price in the United States, and made oftentimes from our wheat. The provisions of this bill may be used by the farmer to sell bread instead of wheat, and there is a possibility of netting \$2 per bushel for his wheat.

COTTON

I believe the stabilization corporation can work a great change in the cotton-crop prices. We produce two-thirds of the cotton of the world, and whenever the price of cotton is inclined to go down to 8 cents or 10 cents per pound, we can lift a portion of the crop off the market by buying it at, say, 13 cents or 14 cents per pound. I have had a part in doing that in 1921 in connection with the War Finance Corporation, and we lifted the market on cotton from 9 cents to 16 cents in a very short time. But you have this cotton on hand in storage and it will not deteriorate by holding, and eventually, under this plan, it will be fed back into the market in some year when the cotton crop is short, thus reducing the price in that year. So the cotton people can look for a price with the hills and hollows taken out. It is altogether possible that a fair price can be maintained through the course of years that will pay much better than a high price on a short crop and a low price on a big crop.

CORN

A gentleman talked about corn a moment ago and asked whether this bill would raise the price of corn above the world's price.

Mr. RANKIN. The gentleman has reference to me?

Mr. BRAND of Ohio. Yes. Would the gentleman like to have an answer to that?

Mr. RANKIN. Yes.

Mr. BRAND of Ohio. I believe this bill can raise the price of corn. I believe we can buy up the surplus corn in any year during the operation of this board and make this surplus corn into corn sugar, and thus take it off the market as corn, and I do not think it will do any damage to the sugar business in the United States, except reduce to some extent the amount of sugar imported.

Mr. RANKIN. Judging from the samples of that sugar that I have seen, I do not think it will damage the sugar business.

Mr. BRAND of Ohio. Probably the gentleman has not seen corn sugar. I am in a manufacturing business where we can use that corn sugar as a "keeper," where we could not use cane or beet sugar and make it effective. This is the reason why you can use so much more corn sugar than you can of cane or beet sugar, because the corn sugar is not sweet. The cane or beet sugar would make that article sickeningly sweet. That means a market for corn sugar.

Another thing, corn sugar is more healthful than beet sugar or cane sugar. When you take cane or beet sugar into the stomach it has to be changed into corn sugar before it can be digested in the body. That explains why it is that in the

hospitals they are using an immense amount of corn sugar for invalids. The fact of the matter is that it is so digestible that they can use it without putting corn sugar into the stomach at all. They put it directly into the circulation and thus keep people alive.

Mr. RANKIN. Then the gentleman thinks that corn sugar should be the subject of legislation, does he not?

Mr. BRAND of Ohio. I believe that corn can be kept at a dollar a bushel by the operation of this bill.

Mr. RANKIN. With corn at a dollar a bushel, will that be stabilized in the world's market? The gentleman says this will not raise the price of corn.

Mr. BRAND of Ohio. It will raise the price in this country.

Mr. RANKIN. Suppose you stabilize it at a dollar a bushel. Can the farmer make a living by raising corn and paying exorbitant prices for everything else he buys? Can he do that and make a living and pay 6 per cent interest on his farm?

Mr. BRAND of Ohio. Yes. Corn at a dollar a bushel is profitable corn. It is the 50-cent corn that hurts; 50 cents a bushel when the farmer wants to sell, and a dollar a bushel next summer after he has sold will not work.

Mr. RANKIN. In 1923 it was 17 cents in Iowa.

Mr. BRAND of Ohio. All the gentleman knows about corn is buying some and taking it down South. Now, I will talk a little about milk.

Mr. RANKIN. My county raises a million bushels of corn a year.

Mr. BRAND of Ohio. I am surprised.

One bushel of corn contains about 25 pounds sugar, 25 pounds valuable feed, 1 pound oil, and 5 pounds molasses.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Ohio. Yes.

Mr. WILLIAM E. HULL. Would the gentleman from Mississippi be willing to put a tariff on molasses so as to make molasses out of corn?

Mr. RANKIN. I am not talking about that at all.

Mr. BRAND of Ohio. Now, I am going to talk about milk. This bill will aid the cooperative organizations in handling milk. Milk is the largest product produced on the farm relatively, measured in money. To-day we have two gigantic corporations which are attempting to buy up all the milk business in the United States, and they are succeeding very rapidly. They are buying up the distributing plants all over the United States, and they are paying high prices for these plants.

Mr. STRONG of Kansas. Will the gentleman yield a moment?

Mr. BRAND of Ohio. Yes.

Mr. STRONG of Kansas. And the farmers who seek to build cooperative creameries in order to market their butter are now met with a lot of butter substitutes that are on the market at 25 cents a pound.

Mr. BRAND of Ohio. I do not know why there are two of these corporations buying up these milk plants, but there are two. If there were only one, it would look like a monopoly, but when there are two buying them up it looks like there is competition.

Mr. RANKIN. Will the gentleman yield there?

Mr. BRAND of Ohio. Yes.

Mr. RANKIN. Does the gentleman have reference to milk condenseries?

Mr. BRAND of Ohio. No; not necessarily. Distributing plants distribute milk in each one of the large cities of the United States. And these two companies have bought plants all over the United States in all the cities, and, generally, one of them buys part of the business and the other buys the rest.

Here in Washington they bought one in the last two months and I am reliably informed they paid \$1,000,000 good will for this Washington plant.

Any one who goes into competition with these two companies is running a great financial chance because these companies are in position to lower the retail price of milk.

Now listen to this. They are in a position to lower the price of retail milk in any one city and keep it up in 100 others. This means that the man who is attempting to compete in this one city will simply have the screws pressed down on him until he quits.

This is going on in Columbus, Ohio, now.

Mr. RANKIN. I wonder if the gentleman would mind giving us the names of these two large concerns. I think we ought to have that.

Mr. BRAND of Ohio. Well, the Borden people of New York are one and I think the other one calls itself the Dairy Products Co.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAUGEN. Mr. Chairman, I yield the gentleman five minutes more.

Mr. RANKIN. Borden is a condensing concern, is it not?

Mr. BRAND of Ohio. The Borden people distribute milk all over the United States. They also condense. I think they do everything that is done with milk.

Mr. RANKIN. I have no brief for those people, but the Borden condenseries certainly have competition in my country. They have the Carnation, the Pet Milk people, Libby, McNeill & Libby, Swift & Co. and various others with their condenseries in that section of the country already.

Mr. BRAND of Ohio. How long will that exist?

Mr. RANKIN. I do not know. I am hopeful it will exist a long time.

Mr. BRAND of Ohio. This is going on in Columbus, Ohio, to-day, driving out the competitors in the milk business by reducing the price at retail to a lower price than anywhere else, perhaps 2 or 3 cents a pound, and keeping the price up to the producer, leaving the difference in there so small that competitors are bound to drop out.

Mr. RANKIN. The gentleman means keeping the price down to the producer instead of up, does he not?

Mr. BRAND of Ohio. I mean just what I said.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. BRAND of Ohio. Yes.

Mr. WILLIAM E. HULL. How does this bill affect those organizations? Is there anything in the bill along that line?

Mr. BRAND of Ohio. I am coming to that in just a moment, if the gentleman will permit.

The prices paid the producers for milk are the prices that these big companies determine upon, and they naturally determine that matter in their own interest. The sole question with them is what price will bring a sufficient quantity of milk. The price paid producers here in Washington is about \$3.30 per hundred pounds (about 7 cents per quart), and this is higher than in most sections of the country. The retail price here is 15 cents a quart. Is this fair to the producer and the consumer—\$3.30, or 7 cents per quart, for the producer and 15 cents a quart for the consumer?

During the war Mr. Hoover, in his control of food, appointed milk commissions in each of the States, and the business of these commissions was to regulate the retail price of milk and the price paid the producer. In Ohio I happened to be one who represented the producer before the milk commission, and it was my duty to show the commission what the cost was to produce milk at that time; and during those several years the milk commission in our State made a survey of the cost of producing milk and the cost of distributing milk—now, listen to this—and when milk was retailed at 15 cents a quart the producer got \$4.25 per hundred, or 9 cents per quart. In Washington to-day the producer gets \$3.30 and milk is selling at 15 cents a quart. This is 95 cents a hundred that the producer is getting here now less than the milk commission in Ohio gave them during the war when the retail price of a quart of milk was 15 cents. In other words, the distributors here are making 95 cents more profit than was found to be fair by the milk commission, and this explains why they got \$1,000,000 for the good will in their plant, and it also means that always hereafter the producers of milk around here have got to make a sufficiently low price for that \$100,000,000 to have a 6 per cent dividend every year as long as time exists unless this bill steps in and does something.

Now, what will this bill do with that kind of situation?

This board can call on this milk distributor here in Washington to come up, and then say to them, "Why are you paying \$3.30 for milk and charging the consumer 15 cents a quart? If you do not want to be fair with the producer and the consumer, we are in position to organize and lend the producers around here 80 per cent of the money to go into this business, and we can lend it to them at 3 or 4 per cent interest"; that is, they can do that if we put such a provision in this bill. We put that provision in the shipping bill whereby they could build ships and get the money at 3 per cent, and I know of no reason why we should treat the ocean-shipping interests any better than we treat the farmer. If it is right for one, it is right for the other.

Then the board can say, "We can give these producers 20 years in which to pay back this money and if you do not want to come to fair terms with the consumers and producers this organization of producers can withdraw their milk from you entirely. Your plant will be left high and dry without any milk."

Then the distributor will say, "Well, we can get along without any milk from this territory. We can bring it in here from Wisconsin or the West in cars made like a thermos bottle so that we can carry milk in good condition any distance we want to. We can buy it cheap out there and get it here at the price we are now paying."

Then perhaps the board will say, "Well, you can not bring that kind of milk in here unless you can prove that it complies with requirements for milk in the District of Columbia in sanitation, and so forth."

Then the milk company will answer and say that they are now attempting to get a Government agency to establish standard milk throughout the United States that can be used anywhere, and the board will answer and say, "We know you are attempting to do this, but that is almost an impossible situation, because milk is not generally prepared as to sanitation and quality that is imposed here in the production of milk."

In the end I believe the board created by this bill will be able to demand and secure fair treatment of the producer and the consumer in the milk business by the operation of this bill, and if we can protect the producer and consumer of milk I believe we can likewise apply this bill to other commodities.

During the war, under Mr. Hoover, the producers of milk received the heaviest proportion of the consumer's dollar that they ever received before or since, and the consumers of milk were amply protected and the distributors had their just share, and his message states the purpose to be to lessen the distance between consumer and producer. Therein lies one means of farm relief, more difficult than the old McNary-Haugen bill, but if I can not get what I want I will take what I can get in order to begin the rehabilitation of agriculture.

I believe the stabilization corporations can do well with hogs, because every year in about October the market sags on hogs—in the last few years 3 or 4 cents per pound—and comes back in January, and it seems to me the packers of hogs must reap a great harvest, because this is the time of year when the big end of the hog product comes into the market and they are able to carry this product until after January, when they let the prices up again. This is a gigantic loss to the producer of hogs, because the course of nature develops the finished hog product to a large extent between October and January and the producer takes a low price at that time.

The stabilization corporation on hogs would probably have to become a packer of hog products, and they would probably have to carry this product into the time when the market prices were better, and any stockholder of such a corporation would be able to get the spot price for his hogs and be able to get a profit later when that product was sold.

Mr. HAUGEN. Mr. Chairman, the time of the gentleman from Ohio has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. BANKHEAD]. [Applause.]

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I shall not, of course, within this limited time have an opportunity to discuss this bill in any detail. We are assembled here in extraordinary session of Congress, called by the President, to undertake to solve a problem of tremendous importance not only to the particular industry involved but also to the economic interests of the entire country.

Before beginning to touch on one phase of the pending bill I desire to take the opportunity to reiterate as earnestly as I can the suggestion already made by several gentlemen on the floor of the House in debate of the supreme importance from the standpoint of real, practical agricultural relief, particularly in our section of the country, that this administration as speedily as possible—and we hope and trust at this extra session of Congress—may begin in a practical way the greatest instrumentality, in my opinion, for real farm relief, and that is to begin the operation of that great Government plant at Muscle Shoals to cheapen substantially the cost of the production of cotton and corn and all things raised in our part of the country.

The fertilizer bill of the farmers of the South last year amounted to \$180,000,000. We have lying here at the doors of Congress, in the basket of the House, unreferred, a bill of a practical nature, economically sound, that will not only guarantee the return to the Government of the United States of 4 per cent per annum on its tremendous investment at Muscle Shoals but actually cuts the cost of fertilizer to the farmers of the South in half.

I join with your distinguished Republican [Mr. TAYLOR of Tennessee], who knows the importance of that question. We beg and almost pray the leadership in this House and in the Senate and in the Executive Mansion at the other end of the Avenue not to disregard our earnest appeal on this subject at this critical hour in the destiny of our farming population. [Applause.]

There is one phase of the bill I desire to discuss. I want to say that I am mentally disturbed about the legislative situation with which we are confronted. I am not so absolutely sure in my own mind, and I will undertake to show you in a moment

why we are justified, from the standpoint of the former leadership of the Republican Party, in voting for this bill.

For a number of years the farm leaders in this House have crystallized all of their effort, they have asserted their sound and deliberate best judgment to be that the only effective method of controlling and regulating and stabilizing agricultural products was through the system known as the equalization fee. I am sorry that my distinguished friend from Iowa [Mr. DICKINSON] is not present. I am not going to quote Mr. DICKINSON particularly to be offensive to him or critical of him, but I single him out as the outstanding type of former farm leadership in this House on this question.

He stood in the House day before yesterday and earnestly commended to this Congress and to the country, and I imagine to his farm brethren, that we vote for this present bill. He argued that farm relief would be effective through two agencies as provided in the pending bill—one through loans to cooperative associations and the other through stabilization corporations.

Now, on Tuesday, May 29, 1928, the gentleman from Iowa, former farm leader in this House, published in the RECORD a speech that I am going to quote from briefly two or three extracts because, as I say, some of us are profoundly disturbed because we who followed his leadership and voted for the McNary-Haugen bill wonder whether we are right in following the revised leadership in supporting the bill as now offered.

Mr. DICKINSON said:

When the farmer goes to vote in November he will be able to identify his friends—the platform of the Republican Party of 1924 is unfulfilled. To commend the record of the past four years, so far as agriculture is concerned, is to indorse and applaud the nullification of the promises in the 1924 platform. Such promises made and unfulfilled should eliminate those who held places of responsibility for the past four years.

It seems they were not eliminated.

Criticism of those asking for farm relief on the theory that they refused the administration recommendations is easily answered, for in none of the recommendations was there any relief.

Mr. DICKINSON stood here the other day—and I am merely using his phrase as a type—commended the efficacy of loans to cooperative associations. Here is what he said less than a year ago on that same subject:

Loans to cooperatives can not stabilize agriculture. This has been previously demonstrated in the case of tobacco and other large cooperatives handling a large per cent of the commodities produced. What is needed is a device by which nonmembers may be compelled to pay their share of the cost of stabilization, and that is the underlying principle of farm relief legislation.

That is what he asserted then as his deliberate judgment, and yet he comes back now under this new leadership and says the very reverse of that proposition. Therefore some of us are obviously disturbed. He asked for stabilization corporations the day before yesterday as provided in this bill, and here is what he said less than a year ago, after profound and mature consideration of years upon that subject:

Stabilization corporations as suggested are not effective for the reason that they rely on the fluctuating of prices for the profits under which they can continue in operation. Under stable prices the plan would break down, because the income of said corporations would depend upon profit, and they would be compelled to buy the farmer's product at a low price if a safe margin on the purchase was maintained.

Gentlemen, it is rather pathetic to think about the fate of the equalization fee. I often think about the situation a year or so ago, when, under the leadership of men like Mr. DICKINSON and the venerable Nestor of agricultural relief, the gentleman from Iowa, Mr. HAUGEN, and Brother KETCHAM, and Brother WILLIAMSON, and Brother PURNELL, and Brother ADKINS, and these others—

Mr. RANKIN. And Brother BRAND, of Ohio.

Mr. BANKHEAD. Yes; Brother BRAND, of Ohio. They were leading the van, and by their persuasive eloquence and profound logic induced a great many of us on our side, although with some mental reservations, to follow in behind the procession. They, as the leaders, led us up the Mountain of Hope and showed us over yonder the Valley of Great Promise for agricultural stabilization and relief; and Brother HAUGEN bore the banner, supported on the right and left by Brother DICKINSON and others of that type. There was written on that banner not the language written on the banner borne by the heroic youth in the poem, *Excelsior*, but, instead, on the gonfalon was written the magic words, "Equalization fee." We marched up the hill and got in sight of victory; we passed the bill; when, lo and behold, on that peaceful situation a cloud appeared, a dark, menacing, and devastating cloud—a veto from

President Coolidge. And my friend Mr. DICKINSON had some comments to make upon the substance and character of that veto in that same speech, and lest I misquote him I shall read exactly what he said. He said:

The veto message presents no new arguments. In fact, the whole tenor of the message is intemperate, cynical, and vindictive.

And yet the recommendations made in the alternative by Mr. Coolidge are in substance, as every man must admit, the very same recommendations made for farm relief in the pending bill. When that thunder cloud appeared and dispersed us, we all had to march down the hill again and take a new start, and we have been abandoned by our leader. That is the reason some of us are unhappy and mentally miserable about the situation. But my friend, Mr. DICKINSON, went one step farther in his statement after criticizing as caustically as he did the veto message. As one of the leaders of the farm group in the country, speaking particularly for that great western group from Iowa and the great grain-producing sections of the country he said, I do not know whether in the nature of a threat or as justification:

To recede now from our western demands, would brand us as cowards.

Has there been any recession? My friend stood on the floor the other day and literally tore to pieces the argument that he had made only a year ago in the support of the equalization fee, and now says that the things he then said were of no avail, are sound, and that they would effectuate the high purposes we have in mind, and so I imagine we come here now to inter finally the equalization fee, and without any mourners, apparently. I thought that surely the gentleman from Iowa [Mr. HAUGEN], and some of these other gentlemen, who advocated with such vigor the equalization fee, would, during these legislative obsequies, at least deliver something of eulogy, but up to date no mourner has loved the deceased well enough in imagination to place in its poor, withered hand, one little lily. [Laughter.] "Hic jacet, equalization fee, jam sparse sepulto—without mourners and without legislative clergy."

But there are some of you who seem to have some hope of the revival of this endeavor. I interrogated my friend yesterday, the gentleman from North Dakota, and he told me that he was rather glad that I interrupted him. I asked him if they had all lost faith and hope in the equalization fee out in his part of the country, and here is his reply. It shows you that right deep down in the bottom of their hearts they are not satisfied with this substitute. That has been indicated here by speeches this morning by men on the Republican side of the House. I asked the gentleman from North Dakota whether they still believed in it in his part of the country, and he said:

Yes; there are quite a number of them but they feel and they actually know there is no hope of getting the equalization principle enacted into law at this session of Congress, but they want a start made, and I believe the present bill will mean that start; and they are willing to let the equalization matter rest for a while, or until this farm board gets into operation.

Then, some of them, including my friend I have just quoted, may indulge the hope that they may persuade either this or some subsequent administration to see the merits of that proposition again.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. WINGO. I see our friend, the gentleman from Iowa, [Mr. DICKINSON] in the offing. I gather from the remarks of the gentleman from Alabama that he thinks that the light that Paul saw on the road to Damascus was not half as bright as the light that DICKINSON saw on the road from Kansas City. [Laughter.]

Mr. BANKHEAD. No. In the statement he was breathing out with equal vehemence threats of slaughter and vengeance. [Laughter.]

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. BANKHEAD. Yes.

Mr. RANKIN. I understood that this extraordinary session of Congress was called chiefly because Mr. Coolidge had vetoed the McNary-Haugen farm bill and would veto any bill that Congress might pass. Do you think he would have vetoed this denatured substitute that is before us now?

Mr. BANKHEAD. I think not; although the last administration exercised the veto power very extensively.

Mr. RANKIN. I am convinced that Mr. Mellon would veto this bill.

Mr. BANKHEAD. The question is, Is this the bill that the farmers want? Is it a bill that their leadership have asked for? One great group representing the Farm Bureau, representing many hundreds of thousands of men, have been persistent in advocating the equalization fee, and I am convinced that they are still advocating it. Another group, probably one of the most ancient and conservative farm organizations in the country, namely, the National Grange, representing New England and Pennsylvania and New York and the Middle West, an organization composed of hard-fisted, practical, prudent old farmers, have come to the Congress this session and said, "We want the debenture plan. We want something in this bill that will automatically guarantee stabilization of prices as well as give us the benefit of the existing tariff on agricultural products." The Senate committee goes out of its way to insert that debenture plan, but that idea has received no welcome from the President. You men who, I believe, are still earnest in your convictions upon your original principles, will, I hope, adhere to those principles still. I am distressed to think that by virtue of political expediency you are asked to change your attitude. I regret it because of the integrity of your original position on this question before your own constituents. If you are driven to an abandonment of your original position the leaders of your organization will not give you the remedies which in your best judgment you think they ought to have.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield there?

Mr. BANKHEAD. Yes.

Mr. DICKINSON. Is the gentleman from Alabama aware of the fact that of the four principles in the McNary-Haugen bill, three are contained in this bill?

Mr. BANKHEAD. Oh, I remember that the gentleman from Iowa stated in this House time and time again that the essential factor in that bill was the equalization fee. It is not included in this bill. Has the gentleman recanted from his attitude by relying upon the integrity and the word of somebody else?

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JONES of Texas. Mr. Chairman, I yield to the gentleman one-half a minute. I wanted to read the gentleman in that connection what the gentleman from Iowa said on May 22, 1928:

When you take the equalization fee out of this bill, you take the heart out of the bill.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield there?

Mr. BANKHEAD. No; I regret I can not. The gentleman from Kansas was also one of those who marched up the hill and then marched down again. [Laughter.]

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. JONES of Texas. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes more.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I want to say that I am always glad to yield to the gentleman from Iowa [Mr. DICKINSON], particularly in view of the fact that I spoke of him; but when I spoke of him I did not speak in a spirit of vindictiveness. I merely referred to him as a type of the Republican leadership in this House.

Mr. DICKINSON. Does the gentleman think that notwithstanding the referendum we had last November he can get the equalization fee through, and does he believe that we can afford to go out from here with absolutely nothing accomplished?

Mr. BANKHEAD. I realize that you are driven by the whip and spur of political expediency. But, speaking for the farmers of Iowa and speaking of the great agricultural interests that you have heretofore presented, we want you to say whether the equalization fee is the better remedy, or whether this bill is the best remedy.

Mr. DICKINSON. This question was submitted to the people in November, and they decided that they preferred this type of legislation; and I want to give it to them.

Mr. BANKHEAD. The gentleman in his speech said that he and his associates could not retreat, even in the face of Executive opposition and in the event of failure the gentleman must accept the penalty. You made your bed, and you must lie in it.

Mr. RANKIN. If there was a mandate given last November it was on an entirely different issue from the farm relief.

Mr. BANKHEAD. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Alabama yields back two minutes.

Mr. ANDRESEN. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. DICKINSON].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. DICKINSON. Mr. Chairman and members of the committee, I am sorry I was not in the Chamber to hear all the discussion of the gentleman from Alabama [Mr. BANKHEAD]. But I want to say to anybody who has gone through this campaign for six years and to those who sit on this side of the aisle that they can not deny that the equalization fee as a principle was involved in the last campaign, and there never was a time in the history of the country when the Democratic Party had so few electoral votes and the Republican Party so many as was shown in the election last November.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield there?

Mr. DICKINSON. I regret I can not. I have only five minutes. The gentleman spoke a long time, and I was not in the House. I can not yield.

Mr. BANKHEAD. Will the gentleman yield very briefly?

Mr. DICKINSON. I have only five minutes, and the gentleman spoke a long while here when I was not in the Chamber of the House. I refuse to yield until I get through.

Mr. BANKHEAD. I just wanted to know if the gentleman opposed the principle of the equalization fee in the last campaign.

Mr. DICKINSON. As a matter of fact, I supported the Republican Party. I supported their platform, and I am here carrying out the pledges of that party and the pledges of the platform as made in the November election of 1928. [Applause.] And I make no apologies to any Democrat for maintaining the consistency I have maintained in this entire matter.

Now, as a matter of fact, all you are trying to do is to say that if we do not maintain all of these principles in a farm relief bill, then we have no bill. This is absolutely not true. You are maintaining three of the fundamental principles of the farm relief bill in this piece of legislation here and you gentlemen know it. The only question is the question of finance. The only question involved here is the question of how you are going to finance the turnover, and we have put in enough money here so that no Democrat has even got up on the floor here and said that in his judgment there were not sufficient funds to effectively carry out the marketing of any commodity.

Abandon our position? No; we have absolutely maintained our position, and we are here to maintain it now; and we are going to put this bill through the House [applause], and most of you fellows are going to do just like you did before, fuss around and object to it and then all vote for it when the roll is called. [Applause.]

I yield back the balance of my time.

Mr. JONES of Texas. Mr. Chairman, I ask to be recognized for two minutes.

Mr. Chairman, I want to read in this connection from a speech of the gentleman from Iowa [Mr. DICKINSON] made on May 2, 1928. This is the first paragraph in his speech:

Mr. Chairman, when you take the equalization fee out of this bill you destroy the heart of the bill. There is no possible way by which you can substitute money for the equalization fee principle. There is no way by which money can stabilize the price of a commodity. The equalization fee principle is the thing that is essential for farm relief. It is the one principle—

Mr. DICKINSON. Will the gentleman yield?

Mr. JONES of Texas. Wait until I finish this.

It is the one principle we have been fighting for during the last seven years, and the people who want to deny us the privilege of having the equalization fee principle in the bill are the people who want to make farm relief absolutely nothing but a foolish piece of legislation.

[Laughter and applause.]

Mr. DICKINSON. Now, will the gentleman yield?

Mr. JONES of Texas. For a question.

Mr. DICKINSON. Does not the gentleman admit that was the McNary-Haugen bill, where the whole machinery was wrapped around the equalization fee? Here you have redrafted the bill, maintaining the three original principles, and you have a loan fund for stabilization here that will stabilize.

Mr. JONES of Texas. The gentleman just made the statement a moment ago that this bill has three of the four principles of the McNary-Haugen bill.

Mr. DICKINSON. But they are drawn in an entirely different way, and it is a different piece of machinery.

Mr. JONES of Texas. Sure; you leave out, as the gentleman has said, the heart of the bill. Last year the gentleman said that money could not take the place of the fee.

Mr. WINGO. Will my friend yield to me?

Mr. JONES of Texas. Yes.

Mr. WINGO. I want to ask my friend from Texas if he does not overlook the fact that the quotation from my friend from Iowa was made before he was spanked at Kansas City?

Mr. JONES of Texas. I perhaps did, and I thank the gentleman for his contribution.

Mr. BROWNING. And, also, will the gentleman recall—

Mr. DICKINSON. Will the gentleman yield further?

Mr. JONES of Texas. I can not yield to two at once.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DICKINSON. And will not the gentleman admit it was after they were spanked in November?

Mr. BROWNING. And will not the gentleman also recall that the change of position of the gentleman from Iowa [Mr. DICKINSON] came before the referendum was taken; in other words, he backed off before the referendum came, as he was fighting the fee in the campaign and now brags about abiding the referendum.

Mr. JONES of Texas. I can not answer as to that.

Mr. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HUDSON].

Mr. HUDSON. Mr. Chairman and gentlemen of the committee, we have all been rather amused and somewhat illuminated by the discussion that has just occurred between our genial friend from Alabama [Mr. BANKHEAD] and our friend from Iowa [Mr. DICKINSON].

I remember something in the past few months that occurred like this. The peerless leader on the Democratic side of the House, in a speech in Omaha, said he was for the principles of the equalization fee, and by the time he got down into your territory he replied to an interrogatory of newspaper men that he hardly knew whether he was or was not.

I venture to say that in the history of legislation no piece of legislation has come from a committee that bears so thoroughly and so completely and so fully the mandate of the people of the Nation, after it has been discussed up and down throughout the Nation, as does this piece of farm legislation, for in the campaign all over this Nation three great principles of farm relief were discussed, and it was said that farm relief depended upon three steps of legislation: Legislation that provided for the orderly marketing from the farm to the consumer, adequate protection of the farmer as an industrialist through tariff provisions, and reduced transportation through inland waterway transportation.

Upon this program the people of this Nation spoke in no uncertain terms, and we are here to-day in response to that mandate, and the legislation is before you as one step in this three-step program.

I am not going to discuss the principles of the bill, except to say that it seems to me it has the sanction of the people, and I take issue with my friend from Alabama in saying that this has not the sanction of the farming communities of this Nation, for it has, and they have spoken and have shown that they are in favor of it; and this, followed with a revenue bill that we hope will meet the second step, leaves the third step which I wish might have been in the President's message, incorporated in the work of this special session, and that is cheaper transportation through water transportation, for I say, in my own judgment, one of the great things that will bring relief to the great Northwest and the Middle West is the consummation of the deep-sea waterway of the St. Lawrence River. We must have that, and we have a man in the White House who is pledged to it.

Now, who is behind all of this? Why, the Nation, because they have faith in that man who is not playing politics, never played politics in any epoch of his life, but takes in the mind of an engineer the facts and stands upon those facts and pushes his program through, and they have faith in Herbert Hoover bringing relief to the farm industry of this Nation. [Applause.]

Mr. Chairman and gentlemen of the committee, I summon as a witness to my statement that this piece of legislation has universal support, the fact of its support on the floor of this House.

In the more than six years that I have been in Congress never have I seen the Agricultural Committee come out so united on a piece of legislation as they have, both Republicans and Democrats, on this bill which to me bears mute testimony as to its support.

There is a little question as to the matter of debenture, but my colleague from Michigan has very thoroughly and fully dis-

cussed that proposition. I simply want to call attention in my remarks to the summing up of the 10 points by the President as to why the debenture plan will not work.

The arguments submitted by the President against the debenture plan have been summed up in 10 points. Any one of them shows the plan unsound.

It would, if put into effect, result in overproduction, with a consequent disaster to the American farmer.

It would benefit the speculators and the exporters of farm produce rather than the farmer, even to the extent of the subsidy which the debenture plan proposes to grant the farmer.

It would at once, if put into practice, advance the prices upon huge stocks which are in the hands of speculators or exporters, and which have passed out of the hands of the farmers. In the end the American farmer would find that this panacea for his ills was a delusion and a snare.

And finally the President points out that if there is to be paid to the exporters, speculators, or the farmers a subsidy running into two or three hundred millions of dollars a year, it will be necessary to increase the Federal taxes levied upon farmers and consumers of the American farmers' produce alike.

The debenture plan in operation does not take money from the Treasury. It merely prevents money from going into the Treasury, which in the end is the same thing as removing the money and handing over a direct subsidy.

The debenture certificates which would be issued to exporters of farm products would be used in place of money to pay the tariff duties of imports into this country.

Now, Mr. Chairman and members of the committee, turning aside from the bill under discussion, I want to talk for a moment or two as to the second step, and that is the tariff. I want to say that I stand here to-day for protection of any and all American industries. I want to say that I am doing this at this time because the question was opened up by my colleague from Wisconsin [Mr. FREAR] the other day. I want to bring a protest here if I understand what may be contemplated as a feature of the revenue bill. As I say, I stand for the protection of American industry. That means that I stand for protection of the farmer who is raising sugar beets and producing sugar the same as if he was producing wheat or corn or any other products of the farm.

I want to recite a little history. It is proposed in the tariff bill, if we understand what is being talked of—of course, we have nothing authoritative from the committee, but we have it generally in our minds as to some decisions that they have come to—that there will be an increase in the tariff schedule on sugar. I am for that. Then it is proposed in the same schedule to insert a limit on the importation of sugar from the Philippine Islands. Let me briefly give you for a moment the history of our relations with the Philippine Islands.

In 1899 by a treaty of Paris with Spain we agreed that the imports into the Philippine Islands from the United States should bear the same ratio of import duties as imports from Spain. That was in the treaty. Two or three years later, in 1902, Congress said that that was hardly fair, and Congress passed a law that the sugar from the Philippine Islands should be imported and pay only 75 per cent of the schedule duties.

Congress recognized the necessity of a square, fair deal with the islands they had bought and whose sovereign they had become. At the same time they recognized that we needed the sugar, for we were importing sugar from other countries.

Three years after the treaty of Paris and our taking control of the islands this action of Congress is indicative of our attitude for the beginning of free trade with the Philippine Islands.

But, listen. Only three years after Congress tried to pass legislation, a majority report favoring it, to do away even with that 75 per cent duty, but we found we could not, because the treaty of Paris was in the way, but both the majority and minority reports of the Ways and Means Committee of Congress at that time favored the free entry of sugar three years after our possessing the Philippines.

What was the next step? In 1909 the treaty expired and we then passed a law that sugar should come in from the Philippine Islands, that all of the products of the Filipino industries should come into the United States free of duty with two or three exceptions—one of tobacco, one of rice, and with a limitation on sugar, limited to 300,000 tons.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ANDRESEN. I yield the gentleman five minutes more.

Mr. HUDSON. This was not done in accordance with any accepted principle, but with the passage of the tariff law at that time in 1913 this was corrected and placed us in a proper light and both parties on both sides of this House agreed.

What has been the history of the increase of Philippine sugar that we say we must put a limit on to save the beet-sugar industry?

Now under those two laws we have gone along with our relations to the Philippines to the present time, but what is the actual relations in reference to the sugar production in the islands and, therefore, its importations?

In 1895 there was exported from the islands 336,075 long tons of sugar, and this was equal to the peak of production under Spain's rule, and was muscavado sugar. Had there been in operation the modern mills of to-day the same cane would have produced 560,000 long tons, or, in other words, the export from cane reached in 1895 would have exceeded the exportation of any year up to and including 1927. Now let us see what the menace has been to the sugar-beet grower by the production by the Philippine Islands. In that same period, which has not involved an increase in exportations, Hawaii has increased from 205,000 to 745,000 long tons, Porto Rico has increased from 34,000 to 974,000. The beet-sugar producer of the United States from 32,000 to 974,000. The above were all sugar producers under the American flag, but in that same time Cuba had increased from 336,000 to 5,000,000 long tons. In other words, the menace to the sugar-beet producers and the exportation of the industry has not been from importations of sugar from the Philippine Islands but rather from Hawaii and from Cuba.

You ask why have the Philippines barely attained, during this period, to the production of 1895. Two very significant reasons can be given and those same reasons prove conclusively that there is no reason for limitation in the future tariff law.

The land laws of the Philippine Islands outlined in the organic act for their government bar the sale or lease of public lands to any corporation or individual in excess of what is approximately 2,500 acres. Their basic law likewise forbids that private land, "when leased by a corporation authorized to engage in agriculture" can not be so leased beyond the amount to any one person or corporation of 2,500 acres. It must also be further remembered that five-sixths of the land of the Philippine Islands is public land and that less than half of the private land is under cultivation.

There is a well-recognized fact also that sugar can not be profitably cultivated in the tropics without the control of several times the above amount of land. With these facts in mind you can readily see that there can be no appreciable expansion of the sugar industry within the islands such as has occurred in Cuba, Hawaii, and Porto Rico.

The other reason beyond the land laws for the lack of expansion of the sugar industry is the labor situation within the islands. The act of 1902 extended the Chinese exclusion laws to the islands. The Chinese is the only available outside labor. Cuba to make her expansion, used contract labor brought in from Hawaii, Jamaica, etc., which they allowed could not remain to become citizens and had to leave at the expiration of the contract season. Without this contract import of labor Cuba could not have made her expansion. The same thing is true of Hawaii, where the industry is maintained by recruited contract labor from outside. When America consumes Philippine or Porto Rican sugar, if I may refer to a homely, she has the sugar and the money within the confines of the American flag just the same as when she buys the beet sugar of the American farmer. But remember that is not true when we purchase Cuban sugar.

The only argument for a limitation clause on Philippine sugar is that we may help the Cuban producer of sugar. It would in no way help the American producer either of beet or cane sugar neither would it affect the American market price.

In conclusion, let me cite one or two things more and I trust that I shall not weary you too greatly in setting forth my reasons to offer a limitation clause on Philippine sugar.

When viewed as a whole, the outstanding fact is that the Philippine Islands produce to-day less sugar per capita, less sugar for its area, and a less percentage of its total products in sugar than does any sugar-producing external territory tributary to our market. Obviously, therefore, if there is to be a curtailing of the production of sugar, it should not begin with the least of the offenders, if it be an offense to produce a product so natural to these territories.

The Hawaiian sugar producers, to keep up their present production of sugar, employ at present approximately 26,500 Filipinos, and recruit annually in the Philippine Islands approximately 7,000 Filipinos for the cane fields of Hawaii. Some of these men remain in Hawaii, others return to the Philippine Islands, and quite a number add to the number of Filipinos on the Pacific coast, which has been a source of complaint by American labor on the coast. It would certainly seem that we

should not take the position that the Filipinos, to produce sugar, must migrate to Hawaii.

In Porto Rico the situation is different. The labor of the sugar fields is Porto Rican, but at present all Porto Rican land available for the production of sugar is so utilized.

The beet-sugar producer in the United States and the Louisiana producer of cane sugar are in different positions. Their industry is, and should be, highly protected. The market of the United States absorbs many times the total of their production. While they may be, with propriety, interested in the tariff, their interest can not, with propriety, extend to the sources from which the people of the United States secure the sugar which they themselves can not produce.

One-eighth of the sugar which we bring into the United States comes from the Philippine Islands. This sugar has no appreciable effect on the market. The excluding of this sugar would mean the bringing in of an equivalent amount of Cuban sugar, and the price of sugar in the United States to the domestic producer would continue to be approximately the price of Cuban sugar, plus the duty on Cuban sugar on entering the United States.

Now, I can not believe that any such backward step will be taken by America to-day. The American flag stands to-day not only for individual freedom but for freedom of trade for all people under that flag; and so long as we retain these islands under that flag we are in duty bound to give them the advantage of trade with the home country. Not only would it be wrong to do otherwise, but how foolish would it be from the standpoint of American policy? At this time America is engaged in an attempt to cultivate trade relations in the Orient, where trade relations to-day can only be cultivated through the cultivation of a confidence in American character and justice, and they can only exist when people believe in America's reputation for fairness. Just think what it would do to that attempt on the part of America to cultivate oriental trade if our rivals could turn around and point to an attempt at unfairness and injustice to our own people under the American flag in these islands.

In brief, what is the reason for the proposal for this limitation clause in our new tariff schedule? Only a scheme to further enrich the Cuban-American millionaire. It will be a trouble maker. General Wood left a record of magnificent service; Secretary of State Stimson, as governor of the islands, with his tactful, straightforward work, has left a monument of strength for us in the Far East. This limitation, in plain words, proposed to knock the props out from all their economic structure and turn 12,000,000 contented wards into 12,000,000 suspicious subjects.

My colleague from Michigan [Mr. VINCENT], in an interview given a Michigan State paper, spoke of Porto Rico, after a recent visit there, as the little isle of good will; that it was the point of contact for this Nation with the Latin Nations of South America, demonstrating the fairness and humaneness of the American Nation. Mr. Chairman, shall we not be statesmen and not selfish partisans in passing this new schedule so that these islands in the Far East shall be islands of "good will" in our contact with the nations of the Orient?

In conclusion, let me quote the following statement made by our former Governor General Stimson, now the Secretary of State:

No words can adequately express the depths of my feeling on that subject, because the attempt to restrict freedom of trade between the islands and the United States represents about the worst possible backward step that could be taken in American policy. It would mean going back to those old doctrines of colonial relations of 300 years ago, which held that the colonies of a country existed solely for the benefit of the mother country and could be exploited at will by that country. It would mean going back to a doctrine which caused the withering up throughout the centuries of the flourishing colonies of Portugal and Spain and would have done it for Great Britain if it had not been for the American revolution.

Now, I can not believe that any such backward step will be taken by America to-day. The American flag stands to-day not only for individual freedom but for freedom of trade for all people under that flag; and so long as we retain these islands under that flag we are in duty bound to give them the advantage of trade with the home country. Not only would it be wrong to do otherwise, but how foolish would it be from the standpoint of American policy?

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Mr. KINCHELOE. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman and gentlemen of the committee, it is not my purpose to take up the time of the committee to discuss the question of farm relief in the abstract. The short time allotted to me I hope to devote entirely to a discussion of the bill under consideration. A great deal has been said about the bill promoting cooperation in agriculture. I have here a chart by which I hope to illustrate some of the features that will be emphasized in the operation of the bill. I think it is generally understood or recognized that the three fundamental operations involved in farm relief are surplus control, economic marketing, and stabilized production.

I am convinced in my own mind that the importance of these three phases should be placed in the reverse order, because I believe that in the last analysis the farm problem will be solved, not first by surplus control, but first by stabilized production, then economic marketing, and then surplus control. In this connection I wish to make clear that if in the operation of this bill the administrative officers are to deal with surplus control without taking definite steps looking to stabilizing production, I fear that it may do more harm than good, for there are certain fundamental principles that must not be lost sight of in dealing with this particular phase of the problem. We all understand that if the supply of any crop or farm commodity is reduced to less than enough to meet the demand an increase in price logically follows, and when the supply is greater than the demand prices decrease. I notice in the discussions for the last few days suggestions have been made that the surplus problem may be solved by finding out what supply will meet normal demands, and then, if there is a surplus above the normal requirements, such surplus should be removed from the market and fed back into the market when the supply is less than the demand. This may be a very good idea, provided, in the operation, you are taking the necessary steps to regulate supply so as not to exceed the demand over a period of years; but if this is not done the producers of the particular crop or commodity will not be benefited. In other words, we must recognize the principle of economics that when you take a certain amount of a commodity off the market the price of the remaining commodity is not increased as much as the price is depressed when the same amount is put back upon the market. To illustrate, if the annual normal requirements for cotton amount to 15,000,000 bales and a crop of 16,000,000 bales is produced, it is easy to see that there is a surplus of 1,000,000 bales, and a certain price would be reflected in the market.

Now, if this 1,000,000 bales should be taken off the market, the price would increase, we will say, 1 cent per pound, or \$5 per bale, which would amount to approximately \$75,000,000 for the entire crop. If the following year only 14,000,000 bales are produced, the supply, under this illustration, will be 1,000,000 bales short, and the 1,000,000 bales removed the previous crop may then be placed back on the market. But, according to a long-recognized principle of economics, this 1,000,000 bales, when placed on the market, will depress the price not 1 cent per pound, corresponding to the increase when removed from the market the year previous, but will depress the price, in the light of observation and experience, about 1½ cents per pound, or \$7.50 per bale, which would mean a reduction in returns on the 14,000,000-bale crop of \$105,000,000, making the loss to the cotton producers for the two crops, under such a marketing system, to be \$30,000,000. So, if you are going to make provision for taking the surplus of the market from a large crop and put it back on a smaller crop, you must, in the long, make some provision whereby the production of cotton over a period of years must be less than normal requirements; otherwise, under such a system of marketing, the producers will in the end be the losers, just as they are to-day. I assume, therefore, that the framers of this bill recognized this principle of economics when they inserted that provision contained in paragraph (e) on page 10, which gives the board the right to withhold any loan or advance, if in its opinion such a loan or advance is likely to increase substantially the production of any agricultural commodity, so that there will be a surplus in excess of normal requirements. But, instead of using the language in the bill, I think you will come nearer stabilizing production by giving the producers of any particular crop to understand that if the total acreage to such crop is materially increased from year to year, the benefits to be derived under the law will not be available. However, I will not burden you with a further discussion of this particular phase of the bill at this time, because I discussed and illustrated the idea in detail on April 12, 1928, when I presented for consideration H. R. 10562 and emphasized the fact that you can not remove the surplus of any crop from the market and increase the price thereof without stimulating production, with an increasing

surplus to follow, unless effective steps are taken to stabilize production.

Now, three things are necessary in handling the surplus. They are indispensable, namely, finance, storage, marketing. It matters not in what manner the surplus is controlled, these three elements must enter into it. That is, you must have money, you must have storage facilities or warehouses, and you must have an economic system of marketing.

Much has been said about this bill developing cooperation among farmers. I am one who believes that cooperation, like charity, should begin at home; that is, Congress should, by appropriate legislation, see to it that existing governmental agencies cooperate in this plan for farm relief, and for this reason I have suggested in this surplus-control plan the use of existing instrumentalities of the Government known as the intermediate credit bank, the Federal warehouse system, and the cooperative marketing division of the Department of Agriculture.

In other words, I would coordinate the activities of these three governmental agencies already in existence and have them cooperate in aiding in handling surplus farm crops and commodities. Then we would take up the question of economic marketing, as shown by this chart [indicating], and I would utilize the Bureau of Foreign and Domestic Commerce, because it is charged under the law with locating and finding markets for agricultural crops as well as manufactured products of this country. I would use the extension service in the Department of Agriculture. I would use the cooperative marketing division and the Interstate Commerce Commission and require these governmental agencies to cooperate and coordinate their activities with the board in effecting more efficient and more economic marketing.

And just here I may say that much has been said in this debate with regard to transportation. I believe the question of transportation is one of the vital questions that will enter into the final solution of the agricultural problem. The bill on page 6 provides that this board shall make a study of the questions of transportation and make reports to Congress. I think we ought to go a little farther than that. I invite your attention to a section found in House bill 1227 which does go a little farther.

For your information I will read section 6, on page 8 of the bill:

The board shall have the right and authority to make inquiry, investigate, file complaint, submit evidence, and conduct hearings before the Interstate Commerce Commission in case freight rates on transportation or freight charges on any farm commodity are found to be excessive.

Mr. LARSEN. Mr. Chairman, may I ask the gentleman who introduced that bill?

Mr. HARE. With a certain amount of modesty I am glad to admit that it is a bill I introduced and had before Congress during the last session, and reintroduced it at this session. There is much similarity in the fundamentals of the two bills, although there are some provisions in the bill under consideration to which I do not fully subscribe and will discuss before I conclude, if I can do so in the time allotted. However, the point I am making, gentlemen, is this: It is well recognized that the transportation feature in the farm problem is just as vital as the surplus problem. It is just as vital as the stabilization problem. Then why should not this bill be definite, clear, and positive, and give the board the right to go out and investigate and report the findings of its investigation; and, if it should discover that there are discriminations, that there are excessive freight rates, then file a complaint with the Interstate Commerce Commission under the law, prosecute the complaint, and convince the commission that the rates are discriminatory and excessive and have them corrected?

Mr. STEAGALL. Mr. Chairman, will the gentleman yield there?

Mr. HARE. Yes.

Mr. STEAGALL. Does not the gentleman think that the Interstate Commerce Commission is better prepared and equipped to look into the question of transportation charges than a new board would be, such as is created by this bill?

Mr. HARE. I will say in reply to the gentleman that he knows, as every other man knows, that the Interstate Commerce Commission does not generally take the initiative to find out whether the freight charges on a carload of watermelons from his State, my State, or some other State to a distributing center is excessive or discriminatory.

Mr. STEAGALL. The gentleman will remember that the Senate some years ago passed a resolution giving specific direction to the Interstate Commerce Commission to inquire into that very question of transportation charges affecting agriculture. That was done under a specific resolution of the Senate.

Mr. HARE. Yes; and I regret to say it has not been done.

Mr. STEAGALL. The investigation carried on by the House and Senate have found out more than the board could do for years in the way proposed by this legislation.

Mr. HARE. But what has been done about it? If the Interstate Commerce Commission under the law which the gentleman refers to has brought any relief to agriculture from excessive freight rates and discriminatory freight rates, I have not heard of it. If not, then I insist that the board provided for in this bill should be empowered to do so, and be charged with the responsibility of securing fair, just, and reasonable freight rates just as it is going to be charged with the responsibility of handling surplus crops. You will remember a few years ago Congress created a cooperative marketing division in the Department of Agriculture for the purpose of encouraging, developing, and establishing cooperative marketing associations in the United States, and yet you come back to day and say that there is still a great marketing problem confronting agriculture and that we must pass a new law in order to obtain success. A warehouse division was created in the Department of Agriculture to be used in taking care of surplus crops. You created intermediate credit banks to finance them in their storage operations, but the farm problem is still unsolved.

I agree with the gentleman from Alabama [Mr. BANKHEAD] when he said this morning that the Membership of the House is not satisfied with the interpretation and analysis of this bill. We all believe in cooperative marketing associations. But the question has been raised here time and time again how under the bill we are going to guarantee that the farmers of the country will join a cooperative association.

If they do not join, if they do not avail themselves of it, then where will the relief come to agriculture? I think our efforts should be concentrated to devising a plan, a scheme, or a method that will encourage the producers of farm products to enter these organizations. To my mind when it comes to controlling the surplus through cooperative associations the only method that will induce farmers to join such associations will be to go to the intermediate-credit banks as they are, take the amount of money allowed under the law, and advance that money to the association, which generally is about 70 or 75 per cent of the market value; get the remaining 25 or 30 per cent from the revolving fund and then the association will be in a position to advance the farmer the full market value of his crop or commodity prevailing at the time he places it in the association. If this arrangement is made they will have no objection to entering. To illustrate, if I am a cotton farmer and carry my cotton to market, and am offered 15 cents a pound on the street, and I know that I can go to the cooperative association and receive 15 cents a pound without further liability, I will carry it to the association and let the association hold it until it is placed back on the market, and then if the advance in price is more than the carrying charges I will receive the difference. When this is done the farmer will put his cotton into the association just as quick or quicker than he will sell it in the open market on the street; and in my opinion, if the board does not establish a policy whereby the farmer will receive just as much when he puts his commodity into the association as he can get on the street or in the open market, cooperative marketing will continue to be a failure.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. HARE. Yes.

Mr. BRAND of Georgia. What percentage of the farmers of your district and State belong to cooperative associations?

Mr. HARE. Not over 6 or 8 per cent, or probably less.

Mr. BRAND of Georgia. There are only 7 per cent in cooperatives in the State of Georgia.

Mr. HARE. But I take the position that if the farmer could get the market price for his crop when he sells it he would just as leave put it into the association as to sell it upon the street. Then if there is any advance in the price he would get the advantage of it, whereas if he sells it in the open market he loses title and the purchaser or manufacturer gets the advantage.

Mr. CRISP. Will the gentleman yield?

Mr. HARE. Gladly.

Mr. CRISP. I know the gentleman is a student of this question and I am sympathetic toward this bill. It has a great many features in it I heartily approve and have approved, as the gentleman knows, for several years, because I have advocated on this floor many of its provisions. The bill, of course, proposes to operate through cooperative marketing associations for dealing with the surplus. What inducement is there in the bill to get the farmers to enter into these cooperative associations and to form the stabilization corporations? In other words, if the plan functions and a farmer does not enter into these cooperative associations he will receive the same price

for his commodity as a member of a cooperative. Now, what is the inducement to get the farmer to go into the cooperatives to be organized under this bill?

Mr. HARE. I am glad the gentleman has asked this question because I am thoroughly aware of his interest in this legislation, and I am not unmindful of the fact that the bill under consideration is quite similar to the one he introduced and strongly advocated here last year, and I might say, in passing, that his bill failed to pass by only a few votes, and we see now that if it had been substituted for the one that was passed the President would have signed it and we would have had farm relief legislation a year ago and this extra session of Congress would have been wholly unnecessary.

Now, in answer to your inquiry I have to say that I have been unable to find any provision in the bill carrying any special inducement whatever for farmers to join the cooperative associations. However, I assume that the board, in construing the broad powers given it under the bill to make loans to cooperative associations, will conclude that it has the right to make sufficient advances out of the revolving fund or through the intermediate credit banks and the revolving fund for an association to be able to pay the farmer the full market value of his crop at the time he is asked to place it in the association. If the board will adopt this interpretation and give the farmer to understand that he will not be charged with any liability, but will be given the advantage of any advance in price, less the carrying charges, it will be sufficient inducement for him to join the cooperatives. On the other hand, if the board construes this bill in a way that the cooperatives can advance the farmer only 75 or 80 per cent of the market value of his crop and require him to wait 12 months for the balance, or permit the other 20 or 25 per cent to be eaten up in overhead expenses or carrying charges this bill, in so far as developing cooperative marketing, will be an absolute failure.

There is, however, what might be termed a speculative possibility of another inducement for farmers to join the cooperatives, although I have not heard it suggested either by the framers of the bill or members of the committee reporting it. Section 6 of the bill provides for what is called stabilization corporations which, in effect, is the organized cooperatives of a particular crop or commodity. I think I can best convey the point I am aiming at by illustration, and we will do this by making a number of suppositions. First, suppose there are 10 cooperative cotton associations; that they have a membership representing 7 per cent of the cotton growers in the United States, who produce 7 per cent of the cotton grown; and that each association is of equal strength in membership and amount of cotton handled.

Now, if we should have a cotton crop of 18,000,000, the cooperatives would handle 1,260,000 bales. Suppose, further, that these associations form a stabilization corporation, the board, as I understand the bill, will advance the money necessary for the corporation to go out into the open market and purchase, say, 3,000,000 bales. Suppose, then, that the average price paid is 14 cents per pound and it is later placed back on the market at 17 cents per pound, the difference in purchase and sale price would be \$15 per bale. If the carrying charges and the reserve to be set up, as required under the bill, should amount to \$10 per bale, there would be \$5 per bale to be paid as dividend to the stockholder associations, which would be a total of \$15,000,000, or \$1,500,000 for each association. Now, if this dividend is to be passed on to the members of each association on the basis of the 126,000 bales held by each, it will mean that each member will receive a bonus of approximately \$12 per bale in addition to the advance in price he would receive for his own cotton. Of course, I do not know how the board is going to interpret this bill, but if I have made a proper interpretation or analysis as to how it will operate, I can see where the farmer in this illustration, who sold his cotton at 14 per cents per pound on the open market, will not be long in learning that his neighbor who joined the cooperative sold his for 17 cents and received in addition a bonus of \$12 per bale, and there will be no difficulty in inducing the former to sell through the association next year. If, however, the board places a different interpretation on the bill, my assumptions and conclusions are all wrong.

Mr. CRISP. May I ask the gentleman another question?

Mr. HARE. Yes.

Mr. CRISP. If that is done, who is to pay the expenses and overhead charges of the cooperative?

Mr. HARE. If when the crop is removed from the market the price is not advanced—and I repeat this—if when the surplus of a crop is removed from the channels of trade the price is not advanced sufficient to take care of the expenses, then all of our deliberations with reference to surplus affecting the market be-

come a myth or "a sounding brass and tinkling cymbal"; but if the price does advance after the surplus is removed from the market under economic laws, then the price advance ought to be sufficient to take care of the carrying charges; and if it is not, then the whole scheme, gentlemen, sooner or later will be a failure.

Mr. LARSEN. Will the gentleman yield for one question on that point?

Mr. HARE. Yes.

Mr. LARSEN. Has the gentleman taken into consideration the insurance feature which is advocated by the gentleman appearing before the committee, Mr. Bledsoe, of Mississippi, and which was inserted in this bill purposely to take care of the very thing the gentleman has spoken of?

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. HARE. My time has expired and I regret I do not have the time to discuss that feature.

Mr. LARSEN. I would like to say to the gentleman that I think the insurance feature does cover it.

Mr. HARE. Possibly so. I am not sure about it.

Mr. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURNES]. [Applause.]

Mr. BURNES. Mr. Chairman and ladies and gentlemen of the committee, at the very outset I want to say I am for this bill, I shall support it with my vote, and when it reaches the amendment stage shall so vote as to try to enact it at the earliest possible moment without any fundamental changes, although I do favor and will support some minor amendments that will be offered by others and expect to propose some amendments of my own. I expect to discuss those to-morrow or the next day when that stage is reached.

The gentleman from Alabama [Mr. BANKHEAD] this afternoon made very pointed and specific references to those of us who have ardently supported legislation along the lines of the old McNary-Haugen bill during the past five years, and he asked the question of those of us who are supporting this measure to-day whether we are "marching up the hill and marching down again."

I want to say to him and to those who may be interested, that as far as I am concerned, and I am speaking only for myself, I am in the same position as the distinguished former Vice President, General Dawes, was when he said to the Senate a few days ago, "I take back nothing." I still believe that agricultural legislation along the lines of the equalization-fee principle is the most effective way of dealing with our surplus problem and is the soundest, the most logical, and would prove the most effective farm legislation that could be enacted. [Applause.]

Nevertheless, I want to be practical. I think I recognize a practical situation when I see it, and we might as well concede, all of us, that equalization-fee legislation can not be enacted into law at this time.

But I want to say to those who believe as I do, and I want to say to the farmers and business men in my State who still believe in the equalization-fee principle, that the most effective thing we can do toward solving the farm problem at the earliest possible date is to pass legislation of this sort, the bill we have before us, give it a fair trial, help the farm board that will be established in every possible way and if after a couple of years of fair trial it is found that this legislation can not accomplish the desired result, the aim set out therein of placing agriculture on a basis of economic equality with other industries, then is the time for them and for others who believe in the equalization-fee principle, to come back here and put our facts and arguments before the Congress, and our case will be stronger than it has ever been before, and I believe that the President and the Congress will listen fairly to our plea.

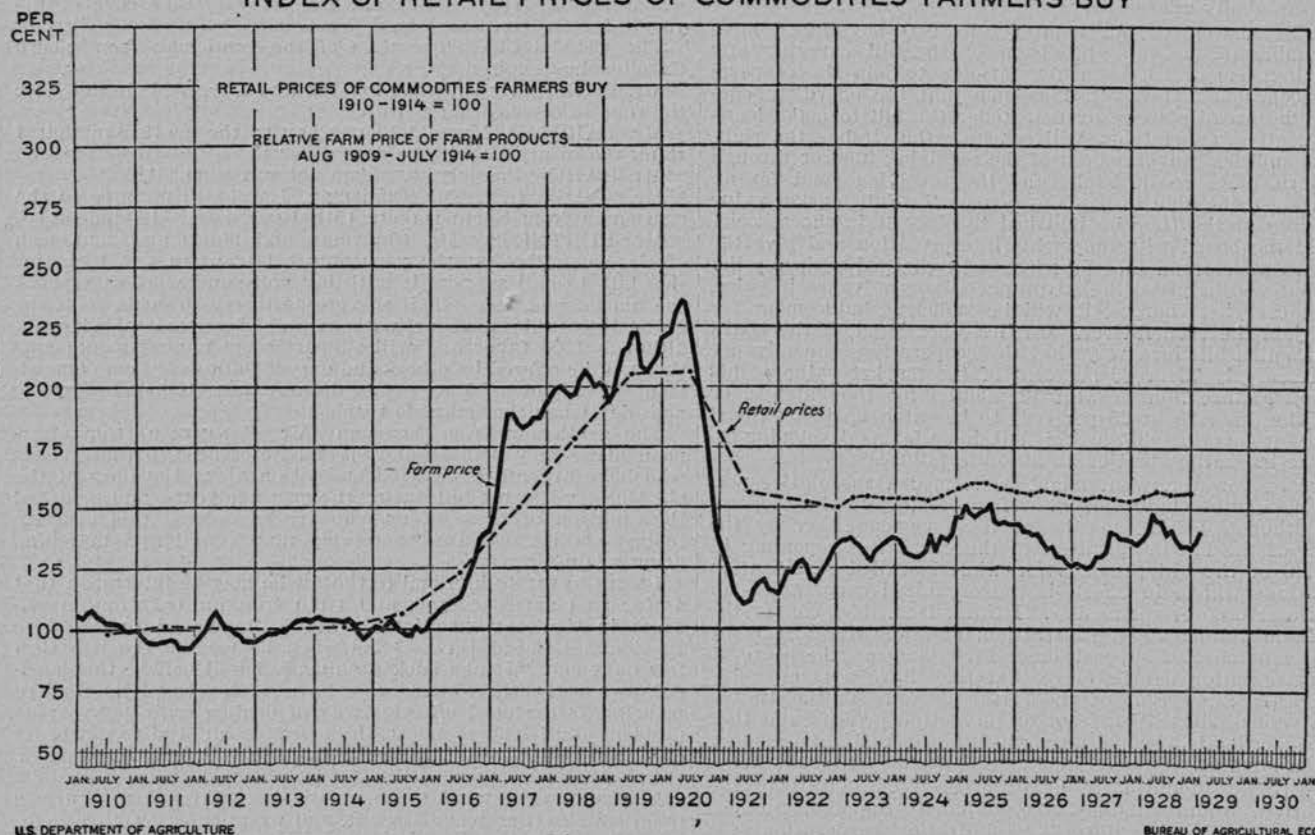
The views of the President and a large majority of this Congress are such that if we are to obtain any farm legislation it must be first along the lines of this bill. All people standing out either arbitrarily or honestly for other types of legislation are simply contributing to the defeat of any law on the subject. At best any plan is in the nature of an experiment and there are honest differences of opinion as to which is the best and whether any will work as expected by its sponsors.

But the people of the United States have confidence in President Hoover. Most of them believe that under the general plan suggested in the Republican platform and with the aid of a competent farm board of his own choosing, he can solve the agricultural problems. I say they are back of him, hoping and believing that he will carry out the pledge made by him and his party faithfully and to the best of his ability. It will prove a difficult task. Let us as a Congress give him the machinery and the weapons he has asked for and not only that but give him every possible encouragement and wish him well.

Not much has been said in this discussion during the past few days with reference to the exact agricultural situation requiring legislation, and I do not want to bring any sob stuff before you. But I do think it is well to call the attention of the doubting Thomases to this chart which has been prepared by the Bureau of Economics in the Agricultural Department which I believe is different from any chart heretofore submitted to Congress.

ceded rather precipitously [indicating], but a great space intervened between the two. You will see the space between these two lines that represent in a graphic way the plight of agriculture from 1921 to this very day. It is shown here that all this time, ever since the latter part of 1920, there has been a difference from 10 points to more than 25 points between the pre-war normal prices of what the farmer sells and what he buys, as compared with the normal situation existing during

**FARM PRICES OF FARM PRODUCTS
AND
INDEX OF RETAIL PRICES OF COMMODITIES FARMERS BUY**



This chart shows two plotted lines or curves, one the black line indicating the index farm prices on all agricultural commodities as a whole, properly weighted, from 1910 to 1929. Most of you have seen that line before on a similar chart in former debates, but the dotted line on this chart is a different proposition from that submitted heretofore on other charts, for this dotted line [indicating] represents the curve which shows the index during the same period of the retail prices of commodities which the farmers buy—not all nonagricultural commodities as on former charts, but of the commodities which the farmer actually buys, properly weighted in a sound economic way in accordance with the relative importance of each commodity purchased by farmers generally entering both into their cost of living and into their farm production costs. These facts show the true relationship for comparing farm income with farm outgo and the buying power of the farmers' products in terms of what he needs and uses.

The whole story of agriculture is shown in these lines better than I could give it to you in several hours' discussion. Remember this starts from a base of 100 as normal, that being taken as the pre-war period of 1910 to 1914, inclusive, a five-year period.

These lines show graphically that during that period from 1910 to 1914 [indicating] where they cross and recross each other that there was no substantial disparity for any length of time between them. Then the war time came and the relative situation between them was almost normal except that all prices went up to a very high peak. Then after the war you will see that farm prices as represented here dropped from about 235 to about 110 in the latter part of 1920 and early 1921. Naturally the retail prices of things the farmer bought like machinery and other commodities entering into the cost of production did not recede equally fast, but they likewise re-

ceded rather precipitously [indicating], but a great space intervened between the two. This discrepancy has amounted to billions of dollars during the last eight years, probably more than \$15,000,000,000.

I heard men on the floor of the House in 1924 and 1925 explain that this was so but that the lines were coming together again, if we would only not disturb matters by passing farm legislation, and they said the lines would be back to a pre-war state, relatively, at an early date. In 1925 as capable men and as profound students as the gentleman from New York, Mr. Ogden Mills, said in substance, "See, they are getting together now and in two or three years they will be back again to normal relativity and farm prices may again exceed those of nonagricultural commodities."

Well, two, three, and four years have gone by since those arguments were made, and they have not come together; they are still apart [indicating]. Let us see how much.

On January 1 last we find the farm price index stands at 133 and the index price of commodities the farmers buy stands at 156, a difference of 23 points. Divide 133 by 156 to determine the per cent these prices are out of proportion from normal conditions and you get 81. That means a difference of 19 per cent in the purchasing power of the farmer's product in terms of what the farmer buys, and I say you can not discount the purchasing power of any business 19 per cent and expect it to remain prosperous. You will notice that the 19 per cent reduction is not a 19 per cent reduction of the net profits; it is a 19 per cent reduction of the gross income of the farm. That, then, is the situation with reference to agriculture generally. It is no wonder the capital of many farmers has been impaired, their life's savings destroyed, and their homes lost.

But I want to emphasize one feature more particularly, and especially as it bears upon some export surplus crops. Later I want to discuss the importance of the question of marketing

the surplus of some of them if I can get the time. By the way, some speakers have discounted the importance of surplus crops because they constitute only from 15 to 20 per cent of the total value of all farm commodities produced in the United States. But remember this: They are in every case the main cash crop of the farmer who raises them. This is true of cotton and of wheat. They leave the farm and are converted into cash. Substantial amounts of the other crops never leave the farm. They are converted into hogs, as is the case largely with corn, into livestock, into poultry products. In fact, much of them are used for food on the farm, such as eggs, milk, cream, butter, meats, and so forth, but all are included in the estimate of 80 or 85 per cent. The relatively low percentage of export surplus crops does not for these reasons fairly indicate their real importance either to individual farmers or to large sections of the country. Remember, too, that aid is more sorely needed in connection with these crops than with almost any other. It would be a tragedy not to keep them in the picture when we are passing farm legislation.

So I want to emphasize the fact that there are some farm crops which are in an infinitely worse position than agriculture as a whole, as indicated by the general lines shown on this chart, and, of course, naturally, there are other farm products that must be in a better one, for these lines represent the general average. For instance, I obtained from the bureau to-day the price index number of wheat as it has been during the past few months, and I found that wheat last September, when most of us were marketing our 1928 crop, stood at 107, while the commodities the wheat farmer must buy stood at index 156. In October the wheat price index was 112, in November 110, December 111, January 111, February 118, and in March 118. In other words, if the wheat index prices were placed on this chart we would have another line at least 20 points lower than the general farm line. If you get the percentage of reduction in the purchasing power of wheat as compared with normal times what do you find? Divide 111, where wheat stood last December, by 156, the retail price index at that time, and you get 71 per cent, a reduction in the purchasing power of the wheat farmer of 29 per cent as compared with the pre-war level. This is bad for you who want to sell him your products, but infinitely worse for him whose very existence is in many cases at stake.

Is there a problem before us in trying to figure out what can be done with reference to an export surplus crop like wheat? Surely I have made out a case for sympathetic consideration. Can you blame us if we insist that we must not lose sight of the surplus problem when applied to a crop like wheat? Naturally, we want to be sure that we are not left out of the picture in this legislation. What are the main differences between the McNary-Haugen bill and the present bill, in so far as trying to handle the surplus problem is concerned? Let us not fool ourselves or the people about the matter. Let us tell them just what the exact facts are, so that the farmers themselves can go to work and organize, if need be, in such a way as to get the benefit of the law when it is enacted.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. ANDRESEN. Mr. Chairman, I yield 10 minutes more to the gentleman.

Mr. BURTNESS. Primarily the situation is this. Under the equalization fee of the McNary-Haugen bill, in substance, all of the farmer's products upon those crops on which an operating period would be declared would be put into a compulsory pool controlled by a governmental agency, and the surplus would be sold abroad for the regular world price by the agency provided by that legislation, and the producers themselves would take care of the loss in the marketing of that surplus through the equalization fee, it being the aim to maintain the domestic market for export surplus crops at the world price plus the tariff or possibly at times plus also the cost of transportation. In other words, the theory of that bill was that an agency should step in and be able to handle the commodity in exactly the same way as you or I could handle it, or as a cooperative association could handle it if it had substantially 100 per cent control of the commodity. We have no such cooperatives. This bill does not provide an agency to handle the crop in such a way, but this bill does provide encouragement for the farmers to organize in such a way that they may be able to obtain control of the marketing of any particular commodity and handle it in such a way as was contemplated by the old McNary-Haugen bill; but instead of having it handled by a governmental agency it would be handled by cooperatives and by stabilization corporations organized by the producers, and the bill provides liberally for loans to such organizations in conducting necessary operations. We all concede that if it is possible to get the farmers organized in that way there is no question but that this

legislation will prove of most remarkable benefit to them, but in fairness to myself I must say that I recognize that the job of organizing the walnut growers out in the State of California, or, possibly, the tobacco growers in the State of Kentucky, into such an organization that they can substantially control the marketing of the commodity in any one season, is one thing, while the job of going about and organizing all of the farmers throughout this country who raise hogs or who market pork and lard, or who raise livestock, or who raise wheat, is an entirely different proposition.

I wish them well; I hope it can be done, but I can foresee very serious difficulties. The dairy industry is now fairly well organized in places and will possibly be ready to obtain help if such is needed. The same is true of some fruits, vegetables, and the like. My real concern is whether such farmers as those who grow wheat can ever do likewise. When we stood for the McNary-Haugen bill with its equalization fee principle, some charged we were radical. I must say to those who made that charge and who now seem to be supporting this bill that we were not as radical then as they are now, for we urged that the farmers themselves pay the losses on exportable surpluses, while this legislation contemplates a marketing system to be built up by a system of loans from the Government, which in turn contemplates at least some substantial losses. But it goes further than those of us originating the equalization-fee principle dared suggest, for it also contemplates that Federal funds out of the Treasury of the United States may be loaned to a cooperative association for the purpose—for the use of that association itself—to go out and build up its own membership. The Government becomes an indirect promoter. What more may this result in? If the plan is successful, the Government may have sponsored and loaned money to help wipe out many of the instrumentalities, call them middlemen if you like—grain elevators, creameries, flour mills, cotton gins, and what not, which are supposed to be rendering some service to-day. I do not believe this will be the result, but some of its most ardent proponents have so claimed. I hope some waste and inefficiency can be eliminated, also unreasonable profits that may be found anywhere along the line. I say, however, that on principle, on fundamental logic as to what a Government is intended to be for, there is not much justification for anyone to defend this bill upon the theory that it is not as radical as the equalization-fee provision of the McNary-Haugen bill. You had better stand upon the general public good which you think it will accomplish and which I hope is possible of attainment.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. I prefer not to; I am trying to hit a few high spots in material in which I could well use three hours.

Mr. ALLGOOD. Along the lines the gentleman is speaking of, does not this bill put the Government into business?

Mr. BURTNESS. No; I do not think that, nor to the same extent as the old McNary-Haugen bill. I think this bill is intended simply to encourage cooperatives, to loan money to them both for organization and business purposes, and that it does not put the Government into business any more than the Government is in business in various loaning functions, loans to the merchant marine, or to farmers through the Federal farm loan board where the Government may, of course, lose some money.

Mr. ALLGOOD. Would it not put the other fellow out of business?

Mr. BURTNESS. I have made my statement with reference thereto, and it has to stand for whatever it is. Others may draw their own conclusions as to probable results.

I want to emphasize to you the importance of making this bill so plain that the board can not misunderstand it; that one of the ultimate purposes of Congress in passing this legislation is to give that board a mandate that they must do what they can to remedy such a situation as I have shown with reference to wheat, where the line would be down here [indicating on chart] and the line of the farmer's cost would be up here [indicating]. You can not remedy that situation without taking care of the surplus, and I think when the board starts out it ought to be willing to recognize that fact. Only the other day, on Friday, on page 152 and page 153 of the Record, you will find a number of tables that I put into the Record showing the relative price of hard spring wheat in the Minneapolis market and the Canadian market. I can not help smiling sometimes when some of our friends on the right side of the aisle here tell us that our wheat in the Northwest is selling for less than wheat at Port Arthur or some other Canadian market, and also again when some enthusiastic Member on the Republican side gets up and makes even a more ridiculous assertion and states that our wheat is selling for 42 cents more per bushel than the Canadian wheat. Of course, it all shows that when they make those assertions they have not made any study of the matter at all. I put the

exact facts in the Record. You people can draw your own conclusions, but before you study these figures you ought to understand that unfortunately we are unable to compare exactly comparable wheat, for we do not agree in this country upon what wheat is strictly comparable to certain grades in Canada. It is generally admitted that Manitoba No. 1 is a better wheat, for it is of higher standard as to weight and other factors than the United States standard No. 1 northern.

Many say that No. 3 Manitoba is fairly comparable to No. 1 northern. Bear that in mind in reaching your conclusions. The point I am trying to make to-day is not exactly how much benefit we get or do not get from the tariff, but the point is that whenever we have a relatively small crop of wheat in the United States, and particularly when we have a relatively small crop of northern spring wheat of high protein content, in that season we get reflected back to us substantially the full amount of the tariff.

That was the exact case in the year 1923, when our wheat tariff was 30 cents. The tables prove it and you do not have to accept anybody's word. When 1924 came along, when we raised a big crop both throughout the country and particularly in the Northwest, not a penny of the tariff was reflected back to us. When 1925 came again we had most of the tariff reflected back to us in the price paid to the farmer, but not all thereof—about 25 cents. If you will examine the figures for the crop of 1926, you will find that during the subsequent marketing season we had the benefit of perhaps 10 to 12 cents a bushel. That is also what we have had this year. In 1927 the situation was unusual. No benefit was reflected till December, 1927, when the situation changed. From December, 1927, to April, 1928, the benefit amounted to 6 or 8 cents, while from April to August it amounted to at least 18 cents per bushel.

No better evidence can be given showing the need of surplus control. Segregate it, do not raise it, or get it out of the way in some manner and our American prices will stay above world prices. I am glad the chairman and other members of the Agricultural Committee have in response to questions I have asked them on the floor said one of the purposes set out in the language to maintain "advantageous domestic markets" is that of reflecting the full benefit of the tariff, if possible, to export surplus crops. That can be done if the surplus can be segregated. To the board that will be appointed I would emphasize the importance of solving in a practical and effective way the surplus problem. I think you will agree with me that it is a tragedy to have a situation where a small surplus controls the price of the entire crop. Let us have the price in domestic consumption which would prevail if there were no export surplus.

Let me give an analogous illustration: We raise more than half the flax we use in the United States. Assume our consumption is 40,000,000 bushels and our production is something less than 30,000,000. Even if we increase the production to 38,000,000, we would get a full benefit of the present tariff of 40 cents a bushel, but if we raise just a little more than that, we would be confronted with the danger of having the price of flax cut down 40 cents per bushel overnight. Certainly this would be a tragedy to the producer, and the consumer would get the flax at less than an American standard price.

The same argument applies to existing surpluses. Let us try to get an American price for at least that portion consumed in America. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. SANDLIN].

The CHAIRMAN. The gentleman from Louisiana is recognized for 10 minutes.

Mr. SANDLIN. Mr. Chairman and members of the committee, I have never known one subject pending before the Congress about which so much has been said and so little done as in the case of this proposed farm relief legislation. For years Members of Congress have realized that some legislation should be passed to relieve the farm situation.

Everybody in this House knows what is going to happen. This bill will be passed as reported. So why all this delay and all this talk? I sometimes think that the press of the country is justified in its criticism of Congress by such proceedings as we have had dealing with this subject. We have seen farm leaders in the House—and I am not criticizing them—on both sides who have reversed their position on this question. A bill with the equalization fee in it can not be passed now, or one with the debenture plan in it. If they did pass such a bill it would be vetoed. Then why waste time in passing bills containing such features?

We realize now in advance that the debenture plan when offered will be ruled out of order. I am just guessing at it,

but I believe I have guessed right. I think the Members who are now listening to me will agree with me as to that.

Some Members have announced to the House that they have ordered their summer clothes and are going to sit it out as against the other body should the debenture plan be adopted by that body, although it will take all summer. Why not get through with it and let the farmers and the people of the country know what they are going to get? I do not know what effect the provisions of this bill is going to have on wheat or on other articles, but I think I know what effect it will have on cotton. On cotton I think it will have very little effect unless the cotton producers organize cooperative associations.

Some Members have discussed the great power that will be vested in this board. There is very little power conferred in reality.

Some of my friends at home asked me before Congress met what legislation would be passed. I said, "Nothing will be passed that will be effective unless you organize." Unless the farmers are organized they can not possibly receive any benefit from this bill, because the advances to be made must be to farmer-owned and farmer-controlled organizations. If the provisions of this bill will cause the farmers to organize, then that is a benefit that I can see will come from the enactment of this measure. I hope it will do that. Over a period of five or six years there is no surplus in cotton, and if it was marketed in an orderly manner eventually the cotton farmer would get his money out of it.

I do not want the people whom I have the honor to represent to believe that I am casting my vote for something that will give them immediate relief, because they are going to be disappointed if they think they are going to get that immediate relief. The final result depends upon their initiative and their organization in order that they may receive the benefits of this legislation. I have no criticism to make of the President. I believe he will try to see that the board appointed carries out the provisions of this bill. I have the faith in the President to believe that he will do that.

I am going to support the bill, but I want to go on record as saying that I do not want the people I represent to believe we are handing them immediate relief, because they are not going to get it under this bill. I will say to them now, as I have said to them before, if they are to receive any benefit from this or any kindred measure they must depend upon their own intelligence, their own energy, and on their own cooperation in order to receive it.

I shall vote for this bill with conflicting emotions of hope and fear—hope that it will be of great benefit to the farmers of the country and the fear that it will not. [Applause.]

Mr. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. SHAFFER].

Mr. SHAFFER of Virginia. Mr. Chairman, ladies, and gentlemen, we hear a great deal of criticism these days about consolidations and combinations; nevertheless, this bill proposes the greatest combination and consolidation of all history, and I favor it because it is proposed in the interest of the public welfare.

There seems to be considerable apprehension on the part of the Representatives from the great consuming districts that this bill will greatly increase the cost of living. To my mind this should not happen, but it will serve as a great protection to consumers as well as producers.

I want to briefly discuss this phase of the proposition.

The success or failure of this undertaking will depend entirely on the farmers themselves. If they take charge of their own business, as they can under the provisions of this bill, it will succeed, and the farmers and consumers both will be benefited. On the other hand, if they refuse to avail themselves of this opportunity, and by so doing elect to have the speculators and the exploiters of both consumers and producers fix the prices of their products, and thereby manage their business, then failure will be boldly written upon the face of this law.

To take charge of their business will hurt no one. I therefore propose to vote for this bill and give the farmer an opportunity to merchandise and price the fruits of his labor, a right guaranteed to and enjoyed by all other industries, and for the first time in history place agriculture "on a basis of economic equality with other industries."

I have the honor of representing one of the great districts of this Nation, where cattle and sheep are grazed on very expensive lands, fattened on bluegrass, and shipped to market; and the price for the same is fixed, not by the producer or consumer but, on the other hand, by the buyer—the packer, the speculator. No other business could have so long endured under such circumstances. No other man takes a greater gamble than the cattle raiser. Think about buying high-priced stock cattle

this fall, to be wintered, fed, cared for, grazed, and shipped a year hence, and the purchaser to fix the price.

Lambs and cattle must be shipped in season and when fat, and it is common knowledge that the first carloads bring fancy prices, and then when the stockyards are filled the market breaks and the price goes to the bottom. Shippers are unable to hold; they must sell and take the price fixed by the packer.

Cattle may be bringing 15 cents per pound to-day, and the market break and sell to-morrow at 12 cents per pound. This means a loss of \$40 or \$50 a head on cattle, and farms all over the country tumble into the pockets of the packers.

This decline and low price is not reflected in the price paid by the consumer. You pay the same price for your steak out of the low-priced cattle as you do for the fancy-priced. It makes no financial difference to the consumer under the present system whether the producer gets 7, 9, 12, 15, or 18 cents per pound for his lambs or cattle. Then why not stabilize the market and give the farmer the higher price and let him prosper? The speculator robs both the farmer and the consumer.

Take apples, for example. It makes no financial difference to you, under our present system, whether the farmer gets one-half, 1, or 2 cents apiece for his apples. You always pay the same price. Then why not stabilize the market and give the apple grower the best price?

Cabbage is extensively raised in my district. The price will start at \$2, \$3, or \$4 per hundred pounds. Then it declines, and declines to 50 or 75 cents per hundred pounds, and in many cases the farmer pays the freight and gives his product to the dealer. This decline or gift, as the case may be, of the product, is not reflected in the price paid by the consumer.

A head of cabbage which brings the farmer one-half, 1, 2, or 3 cents will sell on the market at 15 to 25 cents. You pay from ten to twenty times as much for your cabbage as the farmer gets. The same high level is maintained so far as you are concerned. Then why not give the cabbage grower a chance?

This same situation exists in practically all farm products. It is, therefore, incumbent upon you, who represent the consumers in their interests, to help us write this law upon the statute books.

If this bill is enacted, what will the psychological effect be? The cattle raisers, for example, will serve notice on the packers this season that unless they deal fairly with them they will be in the packing business next season. Then, for the first time in the history of this industry, the producers will be asked, "Well, gentlemen, what do you ask for your cattle?" And they will bargain and agree upon the price for the first time.

The stabilization of the market will, under this bill, safeguard the farmers, provided, however, the farmers' products are adequately and properly protected, and this we will demand at the hands of this Congress.

Meats canned in other countries are to-day sold in my district—a cattle country—for less than meats produced and canned in this country. This must be stopped. It is commonly reported that the packers—the professed friends of the producers and consumers, if you please—are importing millions of pounds of canned meat into this country, attempting to defeat the very purpose of this legislation and the proposed tariff law before they are written into law.

It is my opinion that America as a whole is vitally interested in the relief of agriculture. The future growth and development of this Nation depends on the prosperity of agriculture, the basic industry of our country. [Applause.]

Mr. LA GUARDIA. Will the gentleman yield?

Mr. SHAFFER of Virginia. I will be pleased to yield to the gentleman.

Mr. LA GUARDIA. Does the gentleman really entertain any hope that at any time in the immediate future or in the remote future the cattle raisers can establish their own packing houses under this bill?

Mr. SHAFFER of Virginia. I certainly do; yes, sir.

Mr. LA GUARDIA. Well, it is a very remote hope.

Mr. SHAFFER of Virginia. In my opinion it will never be necessary for that to be done. When the cattle raisers of this country tell the packers that they propose to do it, with this \$500,000,000 within their reach, they will then agree upon a fair price, and therefore it will never be necessary for the farmers of the country to go into the packing business.

Mr. LA GUARDIA. The gentleman will find the packers so hard-boiled that they are not worried about anything we may say or do here.

Mr. SHAFFER of Virginia. It is because they are hard-boiled that it is necessary for this law to be enacted and because they have been unfair and fraudulent—

Mr. LA GUARDIA. To both sides.

Mr. SHAFFER of Virginia (continuing). Not only with the producer but with the consumer as well.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. SHAFFER of Virginia. Yes.

Mr. LANKFORD of Georgia. I feel that I am in full accord with almost everything the gentleman has said, but does the gentleman believe that the farmers can ever be placed on an equality with other industries until by organization or otherwise they are permitted and enabled to name the price of the product which they sell?

Mr. SHAFFER of Virginia. No, sir; but this legislation creates great governmental agencies, and if the farmer sees fit to take advantage of them they will place him in position to price the products of his farm. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. ARNOLD]. [Applause.]

Mr. ARNOLD. Mr. Chairman and members of the committee, I expect to support this bill, although it is not the character of bill I had hoped the Committee on Agriculture would present to us for our consideration.

It has some merit in it, of course, and a vote for it is justified only on the theory that it is a start in the direction of agricultural relief, and Congress in the future will be here to remedy its defects. We are told to meet Executive approval it must be in the form substantially as presented. So we have no choice left us in the matter.

Both political parties in the last national campaign pledged themselves to adequate farm relief. This bill in its present form does not do justice to agriculture. It is a disappointment. It is but a gesture. Let us hope it is at least a gesture in the right direction, and in the very near future a bill will be placed on the statute books that will do justice to this great basic industry in America. The American farmer is entitled to an American price level for the commodities he produces. A price level above the prevailing world price level commensurate with that enjoyed so long by the industrial interests. Any legislation designed to give adequate relief must necessarily be directed to that end.

That means an effective agency for handling and controlling the surplus to prevent its unduly depressing the price of that portion sold and used in the domestic market. Adequate surplus control coupled with improved marketing agencies and a readjustment of the tariff in the interest of agriculture will solve the problem, but the expenses of surplus control and effective marketing facilities can not be borne by a few. All who benefit should contribute proportionately. I had sincerely hoped that at this session of Congress, in view of the fact that our great political parties in the recent campaign went on record for full and complete farm relief, a full measure of relief, in so far as that can be accomplished by legislation, would be presented and written into law at the first opportunity.

Something must be done to restore agriculture to a plane of equal opportunity with trade and industry, and we should not invite further demoralization by procrastination. The day has already been postponed too long. This bill places the burden of success on the group of farmers who are willing voluntarily to enter cooperative associations and shoulder and carry the burdens of all, both members of cooperatives and nonmembers.

Voluntary organization through cooperative association is the groundwork of the structure in this bill, and those who come into cooperatives come of their own volition and assume all the burdens and obligations. Those remaining on the outside will receive corresponding benefits without assuming the responsibilities and obligations. If successful, it must have the effect of raising the price level of farm commodities for the farmer. If it raises the price level, all producers will benefit, whether in or out of cooperatives. Under these conditions farmers will be loath to align themselves with cooperative associations.

Cooperatives have a struggle at best and when they are loaded down with obligations which will inure to the benefit of nonmembers as well as members, incentive to the voluntary growth of cooperative associations is removed. Cooperatives ought to be encouraged and men joining cooperatives should not be penalized by having to shoulder the obligations of the entire industry. There never will be a time when the farmers of the country, owing to their diversity of thought, interests, and geographical location, will, or can, voluntarily combine to such an extent as to give them unified bargaining power. It is within the range of possibilities, but not within the range of probabilities. Men will stay out of cooperatives when they can get

advantages similar to that of a cooperative member, and avoid assuming the burdens and obligations of carrying on. That has been the history of cooperative associations and always will be.

Cooperative associations and stabilization corporations may borrow money from the Government by this bill, and we naturally assume that the board, having the power to fix the rate of interest, will fix a reasonably low rate to obtain money from the Government for the development of their marketing organizations and stabilization corporations for the purpose of taking up the surplus of any commodity and carrying it along and selling it abroad on the markets of the world, or feeding it out in channels of domestic trade and commerce as advantageously as possible for maintaining a higher price level. But the interest must be paid and advancements must be repaid, and it is only those who voluntarily form cooperative associations, and through the cooperative associations stabilization corporations that have this burden resting on them.

Consumers will buy their raw supplies and their food products as cheaply as possible and they will always find a source of supply outside the cooperatives and stabilization corporations. Those who are willing to assume the burdens and obligations of the cooperatives will find the burden entirely too heavy to carry to maintain a higher price level, when they are obliged to come into competition with the products of nonmembers. In the end it will mean the breaking down of the cooperative associations and the failure of stabilization corporations. Those who argue that legislation can not help the farmer will greet you with the old familiar saying, "I told you so."

The only way that I see the matter can be handled successfully is for some plan to be worked out whereby the entire commodity that goes into the channels of trade will bear its proportionate part of the burdens. Such a plan supplies the incentive to membership in cooperatives. By joining no additional burdens are assumed. If the burden is distributed among all those who benefit, then cooperatives will flourish and grow. A unified bargaining power will be vested in the cooperatives and stabilization corporations and the bargaining power of the organized producers of the land will really become effective and worth while to the American farmer.

Those of us who are sincerely interested in effective farm relief had hoped that the Agricultural Committee of the House would keep this principle in mind and report to us a bill whereby the burden would be spread over the entire commodity and a real, effective plan of farm relief placed upon the statute books. No venture can be a complete success when those who benefit alike do not share the burdens equally—when a part of those benefited must share the burdens of all.

The difference, in my judgment, between a proportionate distribution of the burdens among all those benefited and imposing the entire burden only upon those who voluntarily enter cooperative associations is the difference between success and failure.

Another serious defect in the bill is that there is no provision that would act as a deterrent to overproduction. Suppose the cooperatives seek to curtail production for the purpose of rendering the surplus less burdensome. There would be no incentive on the part of the nonmembers to cooperate with them in curtailing production, as nonmembers are not burdened with the expense of buying, storing, and handling the surplus, and at once the noncooperative would come into competition with the cooperative. There being no restraint on greater production by the noncooperatives, their production stimulated would add to the sum total of the surplus, thereby increasing the burdens already assumed by the cooperative associations and stabilization corporations.

It would have a tendency to break down what effectiveness the cooperative might have. Two forces pulling in opposite directions, the one counterbalances the other in proportion to the relative strength of each. I do not see how the present plan can be effective to give the farmer the relief both parties in the recent campaign pledged to give.

Before this bill can be a success it will necessitate the organization of the farmers of the country into voluntary cooperative associations, including practically the entire six and one-half million farmers of the country.

Now, I am a strong believer in the principle that those who are to benefit should bear proportionately the expense of conducting the business. We have heard quite a little discussion here as to the equalization fee, and I care not by what name you call it, all that an equalization fee is, or ever was, is a plan or device whereby all those who are to benefit contribute proportionately to the expense of making those benefits possible.

It seems to me that in the consideration of legislation in the interest of the farmer we should do what we can to encourage cooperative marketing. By this bill you are not only doing nothing to encourage them, but you are placing a penalty on

each and every man who voluntarily comes into the cooperative association, because those who are in must bear the burden, and those who are not in will not bear the burden.

That is the way this matter impresses me, and I believe that instead of men being anxious to go into the cooperative associations the tendency will be the other way, to hesitate and refuse, and the whole plan in this bill will perish in the making.

Mr. ALLGOOD. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. ALLGOOD. Is not that the trouble with the cooperative associations to-day?

Mr. ARNOLD. Cooperatives always have had trouble and always will have. Not more than 7 per cent of the producers of the country to-day are organized into cooperative associations.

Mr. HUDSON. Will the gentleman yield?

Mr. ARNOLD. I will yield to the gentleman from Michigan.

Mr. HUDSON. Is it not true that there are more successful cooperative associations to-day than ever before in the history of agriculture?

Mr. ARNOLD. That may be true; I do not question that. But in order to make the plan successful the growers of these products must be in cooperatives; they must stand together and in sufficient number to unify the bargaining power. You can not have a unified bargaining power as to any commodity until enough men voluntarily come into the cooperative association to control the major portion of such commodity. I should think that it would require 75 or 80 or probably 90 per cent of the farmers of the country to voluntarily enter into cooperative associations to give them the power of unified bargaining.

I do not believe, in view of what I have just stated, this percentage of farmers will ever voluntarily go into cooperatives. With the price level being raised, those who are outside of the cooperatives immediately come into competition with those who are in cooperatives, by throwing their products on the market. There being no restraining influence on them, no deterrent to increased production, the more they produce, the more they will throw on the market, thereby depressing the market, and the greater they will increase the burden of the cooperatives.

The more I think of it, the more I study the contents of the bill and think of its practical workings—and we should be practical above everything else—the more I am convinced that this bill will fail in the avowed purpose of giving the American producer of agricultural products, a distinct American market, commensurate with that enjoyed by trade and industry under legislation enacted in their behalf.

It seems to me that there is a joker in this bill. I do not know whether it was placed there by design or not, but it seems to me that this joker will absolutely nullify whatever beneficial effects it may have.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LaGUARDIA. I wish the gentleman from Kentucky would give the gentleman more time, so that he can explain to us about the joker.

Mr. KINCHELOE. Mr. Chairman, I yield the gentleman two minutes more. The gentleman from Texas [Mr. SUMNERS] will give up that much of his time.

Mr. ARNOLD. Mr. Chairman, subsection (e) of section 5 of the bill provides that no loan or advance shall be made if in doing so it is likely to increase production of any commodity of which we produce a surplus. This in effect reads out of the bill aid for those commodities it is the declared intention of benefiting. If the bill is a success at all it must have the effect of raising prices, and if you raise prices, of course it is a spur to production. Then, if it is a spur to production, the Federal farm board would say, when approached for a loan, "No; production will be increased, and by the terms of this section we can not loan you the money." The bill, therefore, becomes devitalized, absolutely inoperative, so far as any beneficial effects to the farmer as to the commodities of which we produce a surplus are concerned. In other words, the board can loan him money so long as it does not do him any good, but just as soon as it will do him good the board can not loan him a dollar. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. O'CONNOR].

Mr. O'CONNOR of Oklahoma. Mr. Chairman and Members of the House, I recognize that this Government operates under a party system; and in spite of the fact that it has been said here that this bill was not indorsed in either platform, both parties promised the farmer some sort of relief. As a private citizen, as a voter whose vote has been solicited at various times, I have been interested in recent years to watch the

various plans that Congress has attempted to adopt for farm relief.

I am supporting this measure first because whether I like it or not, whether it will prove to be wise or not, I consider it a party measure. The Republican Party, the party in power, will get either the blame or the credit for whatever legislation is passed here. I believe in party government. I believe in strong parties. I deplore the growing tendency of party organization and party government to become weaker. Under the party system weak parties mean weak government, strong parties mean strong government.

There is danger in unanimity. I wish that the minority party, instead of favoring farm relief, were rigorously opposing it. In that event if the theory is unsound it would be exposed. If the bill has faults, we would find them. Weak spots—an opportunity to strengthen them. If there is a better way than the way proposed by this bill, let us hear about it. The careful consideration of opposing views tends to bring sound legislation. When everybody thought alike nobody thought at all.

My purpose in speaking is this: While I am going to support this bill I do not propose to do so without facing the facts and the situation involved by this legislation. These observations are not made for the purpose of getting me votes among the many farmers who live in my district, but rather to clear away some of the underbrush that obscures our vision so that we can see where we have come from in arriving at the present situation, where we are to go from here, the way we should go, why we should go that way, and probably where we will arrive, and what may happen in the arriving.

I favor this bill because I believe it will not only be a benefit to agriculture but in the long run to the entire country.

I believe the farmers have been suffering under a good many illusions about this matter. It has been said on the floor of this House again and again that we should give the farmer economic equality, hinting always that the thing we are doing here has been done for industry in other lines, and the Federal reserve act and the tariff act have been quoted as examples. While I vote in favor of this measure, I recognize that it is an absolute departure from the theory and genius of American Government, and it would have been considered too socialistic for the Great Commoner to have advocated back in 1896, but times have changed since then. It is not like the tariff policy. The tariff did not put the Government into financing and backing some one particular line of business. It created a condition that made a market for American manufactured and agricultural products by giving labor high wages, a consequent high standard of living, and thereby the biggest and best buyers in the world. Our Federal reserve system was a help to the credit system, and we are all interested in and helped by having a sound credit system for the country. For years the farmer has been told that big business became big and bad because the Government in some way had waved some magic wand and helped it, gave it unfair advantage. This is not true. The Government for a long time endeavored to unscramble the Standard Oil Co., and now we are doing our best to find out how to get the oil companies back together again so as to control overproduction and prevent the prostration and bankruptcy of the oil industry. We tried to make the railroads compete, and now we have found out that that was a mistake, and we are trying to get them together again so that they can give better service.

For a generation the laws of this land and the policy of this Government made it a crime for the captains of industry and finance to get together and plan their business—to effect economic common sense constituted a conspiracy. A man could think all he pleased about his own business, but he did not dare to say anything about it to any of his competitors.

The methods of organization, understanding, marketing, distribution, production, and all the intricate fabric of modern business and finance are what made big business better.

The lack of all this is what has impoverished the farmer, and now the Government in this bill proposes to do for the farmer what big business has already done for itself, and which the farmer has been unwilling and, I believe, unable to do for himself. I support this bill because it creates and hands to the agricultural interest, ready-made, the machinery which has worked so successfully in industry. It gives the farmer the opportunity which he has not had—it gives him the advantage of collective bargaining, which has been so effective for industry and for labor. The farmer is free to use this opportunity or not. I am for keeping him free. There are those who say quite sincerely that the farmer will not come into the cooperatives because he has not done so; that he will stay out and get the advantage without taking the risk. I do not believe that the American farmer is that poor a sportsman. I have faith enough in the American farmer to believe that under the leadership of President Hoover, with his well-known genius

for organization, the farmer will have confidence in the cooperatives under the guidance, financial support, and supervision of the Government that he has not had in the cooperatives in private hands.

But suppose the farmer does not come in. That is his own good privilege to stay out if he chooses. You can not help him in spite of himself if he is not willing to help himself. It is because certain gentlemen feel he will not come in that they want to pay him a debenture or bonus or some other direct inducement to get him to join. I am opposed to any such plan or scheme. If the farmer does not come into the cooperatives, he can no longer blame the Government for his plight. The Government can not relieve the farmer if the farmer does not want to be relieved. And the big surprise of farm relief legislation when it is passed is that we will discover that the farmer is a great individualist and wants to run his own business in his own way.

Through all the discussion and agitation in the last eight years the farmer has been led to expect entirely too much help from this legislation, for it is at best an experiment. Just how it will work and the extent to which it will work remains to be seen. I want to help the farmer, but I do not believe it will help him to mislead him. This bill will not help the farmers immediately. It may never help all of them. It should help on certain of the big crops where there is an exportable surplus. When the American market—built up under the Republican protective tariff—was sufficient to consume all that the American farmer produced, we had no farm problem. When the American labor consumed all the American farmer produced, we had no trouble. But when we began to try to fill stomachs of poorly paid labor abroad by exporting our high-priced food then the trouble began.

The word farmer is general and not specific. It does not mean any more for the purpose of identification than manufacturer. Who is the farmer we are going to relieve? Is it the cotton farmer, the wheat farmer? Do we mean the large landholders or the small farm owner? Or, yet again, is it the large body of poverty stricken tenant farmers we refer to when we say farmer? Which of these are going to be helped first and most?

Assuming now that the legislation has passed and machinery is in operation, there will be millions of small farmers whose farms are miles from one of these cooperative elevators. What is his Congressman going to say to him when he says you spent \$500,000,000 of the public money; where is my elevator? What are they going to say to the man who must market his hogs and cattle when the same are ready for market? Livestock can not be kept in an elevator. Are we going into the packing business? Five hundred million dollars is a tidy sum, and I believe that it is all that the public is justified to spend in this venture, important as it may be, but we might as well face the fact that it may prove that with this half billion dollars we will have only openers—that it will be just one white chip in this no limit game—when that is gone then what will we do? I serve notice now on Members of Congress who will expect to come back and say, "We need more money, what we have is just a beginning." This is all; it is final; there will be no more. I am willing for the Government to start the game and invite the farmer to sit in, but the farmer must play the game and Uncle Sam must not keep the kitty with the public money.

There have always been farmers who are not doing well and need relief. The same is true among manufacturers, bankers, professional people, business men, and laborers. The same is becoming increasingly true among the small storekeepers throughout the land who must face the competition of chain stores with their tremendous buying power. It should be said now that if we go further than this bill with the farmers in the future, we can not then in justice and common honesty refuse to take up the burden of everybody else who are not getting along as well as they would like to and as well as they ought to.

We have spent days discussing corn, wheat, cotton, beef, and other raw materials, but the real raw material with which statesmanship must deal is human nature. In this case it is the farmer himself. The farmer will be hurt and not helped in the long run if the effect of this discussion—and this legislation is to cause him to look to and rely upon the Government instead of himself to work out his own salvation. It is the free hand given to private initiative that has made this country great. I for one am not ready to deny the wisdom and justice of that governmental policy.

That policy has justified itself in a striking manner. In the last campaign the candidate of each of our great political parties, though born in humble circumstances, surrounded by poverty, grew up under this Government, assumed and rose to the place of supreme leadership and power and were qualified

therefor. There is nothing very seriously wrong with the system of our country where that sort of thing can happen and does happen. We country boys who left the farm and succeeded in the city are proud of that fact. Some of us might have made pretty good farmers if we had stayed on the farm. [Laughter.] Our President was a farmer boy and undoubtedly would have made a good farmer, but he would never have been President if he had stayed on the farm. That is the answer and in part the explanation of why the ambitious farmer boy is leaving the farm. It is a part of the solution of the farm problem. If there are farmers who can better their condition by leaving the farm and doing something else they should do so.

We do not want to proceed under the fallacy that natural laws and economic laws can be changed by statutory laws. There are basic differences which are inherent in the thing the farmer produces which places him at a disadvantage. Let me give you a striking, concrete illustration. The two most useful scientists of this generation were Mr. Edison and Mr. Burbank. Mr. Edison has greatly enriched society by his inventions, but under the laws of the land all of these inventions are protected by patents, which means that the man who makes a patentable article has a monopoly and can and does make his own price, and we can take that price or leave it. Mr. Burbank, like Mr. Edison, enriched society through his experiments, producing many new foods, vegetables, and fruits, but when Mr. Burbank crossed milkweed with eggplant and got custard pie he could not patent that idea. [Laughter.]

And the farmer is in the same fix. He is not producing a product which has the advantage of price fixing due to monopoly based on patent. Then, too, he is not producing luxuries but necessities, and millions of people who must buy and consume what the farmers produce are less able to pay the price and are less fortunately situated than the farmer himself. The lowly consumers must not be overlooked. The farmer has been told that the Government has not done anything for him. This is unfair and untrue. The Government has maintained the Department of Agriculture and has spent money without limit or without stint in research work and in bringing to the farmer the best scientific thought and help of the time. But here again the farmer can not be forced to use to his profit what the scientist, paid by the Government, has found out for him.

A striking illustration of what science can do for the farmer and industry is shown in the work of that great saint of science, Louis Pasteur, who from his humble laboratory with his great genius saved the silk industry for France; saved both the sheep and cattle from the anthrax plague—whose contributions alone in these two fields saved for the farmers of France a sum greater than that exacted by Germany as an indemnity at the close of the Franco-Prussian War. But Pasteur faced criticism, faced skepticism, faced stubborn ignorance, and it was only after repeated demonstrations to prove his work that the reluctant farmer would make use of it.

The future well-being of the farmer is going to depend on his willingness and ability to take advantage of and work with the beneficiary of economic laws, and apply the discoveries of scientific research. You can lead a horse to water, but you can not make him drink. The Government can not, and should not, do for the farmer anything that the farmer can and should do for himself. The Government should set up this machinery so that the farmer would have the advantage of working in harmony with economic law. The Government has been and should continue to furnish the farmer with all the benefit of science thought in this scientific age and of which industry very largely and at its own expense avails itself. But the Government can not force this upon the farmer. The farmer does not want to be forced. Salvation, it is said, is free, but even God Almighty will not save souls that do not want to be saved. People still have the privilege of going to the devil if that is where they want to go.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. O'CONNOR of Oklahoma. Mr. Chairman, may I have two minutes more?

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from Oklahoma is recognized for two minutes more.

Mr. O'CONNOR of Oklahoma. I want to get this over to you. We hear a lot of talk about Government money. That is a great fallacy. There is no such thing. Your Uncle Sam is not a banker. He is a beggar. He has not, and never spent, a dime that he has not collected from his nephews and his nieces. When we create all this governmental machinery that we are creating here, providing more acres of floor space, more mountains of files, more armies of public employees, we are increasing further the public expenses and the people's burden. The

farmer must understand this. The gentleman from Michigan [Mr. KETCHAM] the other day spoke very graphically of lubricants. But all this Government machinery requires lubrication, and plenty of it, and the only lubrication that is used or can be used is human sweat.

The farmer or other man of limited means who can not have in his home the little luxuries for his family that he would like to have—who can not have on his table some of the delicacies that he would like for his tired, overworked wife or his frail child—does not know that the reason he can not have these other things is because the simple things he has cost too much, and they cost too much because the Government costs too much. And I do not mean just the National Government but all government. Our school districts, our villages, our towns, our cities, our State governments, are spending without limit and without stint the taxpayer's money. And who is this taxpayer? Everyone is a taxpayer, whether he has ever paid taxes or not—the woman who scrubs the floor is a taxpayer. She may never have been to the local tax office to pay a direct tax—she certainly has never been required to make an income-tax return to the Federal Government, but a part of all this expense to the Government is paid by her on everything that she consumes. From birth to death the cost of government is wrapped up and disguised in the cost of living.

Ex-President Coolidge rose, as he often did, to the heights of statesmanship when he told the people of America that the question of economy was a moral question. We are going to put this thing over, and we sincerely trust that it will work, but whether it works or not is not in the laps of the gods but in the heads of the farmers. It is on the farmer that the success of this will depend. His salvation is in his own hands. We have given him the slate and pencil to solve his problem, but he must do his own figuring, and he should be told this very thing. For too long and too often he has looked for nourishment from political pap peddled by politicians to catch the votes. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. GREENWOOD].

The CHAIRMAN. The gentleman from Indiana is recognized for 15 minutes.

Mr. GREENWOOD. Mr. Chairman and ladies and gentlemen of the committee, for six years I have followed the devious pathway of farm legislation in its consideration and debate and action before this House. It has been my purpose in trying to serve my constituency to at all times join with the administration in trying to put agriculture upon an equality with industry in America. In order to do that it has appealed to me that some provision of law must be made to take care of the marketing of the surplus products of the farm.

I am not one who believes that the surplus created every year by our agricultural interests is a menace. It is necessary for any nation that has 110,000,000 or more people to have a surplus against the day of famine or of shortage that may come. I do not believe that agriculture should be penalized because of that fact, because it is rendering a distinct service to the people of this Republic in producing this surplus.

My idea of legislation is to bring agriculture up to an equality with industry at the same time it is producing this surplus in order to keep the surplus, for we need it, and in my opinion we reached the very climax of knowledge and of desire and of practical efficiency in the law that was proposed a year ago, the McNary-Haugen bill, that had for its purpose the increasing of the price of farm products, there being a surplus produced.

This bill does not have that so much in mind. This bill has small merit. It is not a vicious bill or a destructive bill, but it is not a constructive bill as the one that was vetoed by the President a year ago.

This will be a good law to promote cooperative marketing associations. There will be \$500,000,000, with a Federal board inducing farmers to come into cooperatives in order to more economically and efficiently market their products. So far it is good; but if we expect to go in farm relief to the extent that was proposed by the bill of a year ago, to pay a better price for farm products in spite of the fact that there is a surplus, I can not conceive that this bill will render the farmers such relief.

Neither must we expect that the farmers will crowd into these cooperatives simply because the Federal Government is behind them. There will be private capital that will still be operating to buy grain and other farm products, and they will be inducing their patrons to still transact business with them. So we will have the two systems, and there is nothing in this bill that will bring every farmer under its provisions, as was provided by the equalization fee, when every farmer would receive the benefit under the equalization fee according to the increase of price fixed by the Federal board, and he would also

make his contribution for the perpetuation of that fund and that system. There is nothing in this bill that forces every farmer to come into the organization and make his contribution. It will still be a voluntary provision that must drag on for years with competition existing between the cooperatives and the Federal management and private capital operating as it has been through the previous years.

I say it is a good bill, with plenty of money, and a Federal board to help promote cooperative farm organizations, and that is as far as I expect it to go.

What will they do with this grain? They may store it more economically, they may feed it out into the domestic trade, but it is still a surplus that is on hand holding down the domestic price unless it can be exported beyond the boundaries of this country.

This bill does not contain any provision that will give an advanced price or provide an equalization fee to take care of losses. The process will go on under Federal management as it is now going on under the management of private capital, and these losses will have to be sustained by the cooperatives, and this will be a discouraging element; and here, again, private capital competing in the purchase of grain will hold that up, as it always has, as a reason the farmers should not go into these cooperatives even though they are managed by the Government.

There must be some encouragement given to the farm organizations whereby the margin of difference between what he receives for his products and what he has to pay for all of the commodities that he buys is met in some manner. Under the McNary-Haugen bill the tariff was made effective to the farmer because it added the amount of the tariff to the world price. There is nothing in this bill along that line unless we adopt the debenture plan. It proposes to add one-half the tariff to the world price. This would increase prices of the exportable surplus one-half as much as proposed under the McNary-Haugen bill.

Mr. SPROUL of Kansas. Will the gentleman yield for a question?

Mr. GREENWOOD. I have only 15 minutes. I am perfectly willing at the end of that time to yield, but I do not care to yield right now, in the midst of my statement.

There will still be the matter of the disposition of this surplus, and there is no advantage given or offered to dispose of it beyond the boundaries of this country. It must still be fed into the domestic market as is now being done by private capital. This plan will not raise the local price, as we still have the surplus on hand bearing down the domestic market.

It does not equalize the tariff benefits, as proposed by the McNary-Haugen bill. While the tariff is added on to the price of the commodity of the manufacturer by using the taxing power of the Federal Government, this bill does not propose to equalize that disparity. There is still a surplus of products within this country. You may say this is the misfortune of agriculture. I say it is of benefit to our country, and constructive legislation ought to be enacted to conserve this surplus and give the farmer justice in spite of the surplus. We want to make the tariff effective to the farmer. We can do this by the "debenture plan."

Now, some object to the debenture plan. They claim it is a subsidy. But is it any further stretch of the imagination to say that you can use the taxing power of the Federal Government to increase the price that the farmer pays for commodities that he uses than it is to use that same power to collect money in order to pay it out to farmers who make this contribution to others and seek to have a like benefit? It may be a little different method. It may be an innovation over what we have had for 100 years, but I say the underlying philosophy of the two is the same, using the taxing power of the Federal Government for something besides obtaining revenue to run the Government.

A tariff is placed upon sugar for the purpose of helping the sugar farmer of Louisiana and the farmers of the places where they raise the sugar beets. This is using the taxing power to lift the price, otherwise it is ineffective, and every farmer in my district and in yours, my colleagues, pays his part of that tribute to help improve the agricultural condition of the sugar farmer. He pays the money into the Treasury to help out that situation.

Does it require any greater stretch of the imagination or is it any greater injustice to pay out this money to help the cotton farmer and to help the wheat farmer that he may be saved from a destructive competition from within our country?

The tariff may be so high that there will be an embargo on the manufactured products. There the Government is absolutely deprived of all revenue because there is no importation. That is the tendency of all tariff legislation—to reach the place

of the embargo. There the Treasury is robbed of the revenue that would come in. This is done to promote some industry's interest. Then why can not you take the money out of the Treasury for the same purpose if it is going to be helpful to a great mass of the people like the farmers who have so long paid tribute when the tariff law has been against them and brought them into this condition? Why can not you use the same process to help them out? An embargo keeps money out of the Treasury. A debenture pays it out to promote equality.

So we must not expect too much from this bill. It will help to form cooperative organizations, it will give Federal regulation over marketing that I think will be beneficial. If, however, you expect to reap the benefits written into the McNary-Haugen bill and give the farmer better prices you are doomed to disappointment. I am for the bill, hoping it will do some good; but it will not reach the pledge anticipated by that measure which was vetoed by the reactionary President a year ago.

It was a tragic circumstance that the former President did not have that large vision of the situation then as the Congress of the United States had it. If he had, we would have had constructive legislation that would have helped the farmer, given him a better price, equalized his opportunity with industry, and done it by a legal constructive process.

Now, as I say, I will vote for the bill believing that it points in the right direction to help cooperative marketing associations. It may help to steady and stabilize the market, but I am not expecting it to yield the beneficial results that we might have had if the law written a year ago had been signed by the President.

I would like to see the bill modified by the debenture plan, using part of the \$500,000,000 provided to encourage the export of the surplus that the farmer produces. Furthermore, I would like to see written into the bill the authority to sell collectively and to purchase collectively in order to give the benefit of collective purchases to the cooperative associations of this country that they may get some of their products more cheaply. If you do that, there will be no discount on the debenture; they will be worth 100 cents on the dollar, because the farmer organizations will be using them to buy products which at present he is buying in a protected market while selling his products in an unprotected market.

These are some of the things I think might be added to the law and if put in will put the farmer on an equality with the manufacturer and other lines of industry. This I wish might be done. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. SNOW].

Mr. SNOW. Mr. Chairman and Members of the House, as the Representative from the fourth district of Maine, which district is the largest agricultural district in the New England States, I desire to briefly comment upon the speech made here on the floor of the House yesterday afternoon by the gentleman from Minnesota [Mr. KVALE]. In order not to misquote, I am going to read a few extracts from his speech as printed in the CONGRESSIONAL RECORD.

What makes me somewhat skeptical about much good accruing to the farmer from this law is the fact that the present occupant of the White House has promised, and reiterated that promise, that he expects to carry out the Coolidge policies. Well, I have this to say on that subject: That with all that he has lacked and wanted and needed during the past 8 or 10 years, the one thing in this world of which the farmer has had more than enough is the Coolidge policies. He is fed up on them. He would appreciate a slightly different diet for a few years.

However, I am hopeful. For, while I have not seen any retraction of that promise on the part of our President, I have seen things already that indicate to me that, after all, President Hoover will not consider himself hogtied to traditions that now belong to history, or forced to travel in the old ruts of people who could not steer an automobile, but that he will make his own policies, be independent, and stand on his own legs.

I voted and worked for the bill with the equalization fee in it. . . . I think I should be willing to give the debenture plan a trial.

It is very evident that this slurring criticism of Mr. Coolidge by the gentleman from Minnesota was actuated by the fact that Mr. Coolidge, on February 25, 1927, vetoed the farm relief bill (S. 4808) containing the so-called equalization fee. Mr. Coolidge considered the equalization fee not a tax for the purpose of revenue in the accepted sense but a tax for the special benefit of particular groups and that the result of the equalization fee would have been a direct tax on certain of the vital necessities of life; that it represented a most vicious form of taxation and that its enactment would have meant that certain special

groups of farmers would profit temporarily at the expense of other farmers and of the community at large—and Mr. Coolidge had the courage to veto the bill.

The gentleman from Minnesota comes from a section of the country containing some of the special groups of farmers who would have profited, and I come from that section of the country where live that class of farmers who would have suffered had this bill containing the equalization fee become a law, and I refuse to sit here in silence and allow the remarks of the gentleman from Minnesota to go unchallenged. It took a great deal of courage on the part of Calvin Coolidge to veto Senate bill 4808. By so doing, he prevented certain special groups of farmers, as represented by the gentleman from Minnesota, from profiting at the expense of other groups of farmers in many districts, including my own, producing dairy products, poultry products, hay, fruit, vegetables, and potatoes, and other important agricultural products. Consequently, I say to the gentleman from Minnesota, that his criticism of Mr. Coolidge yesterday was absolutely unfair and unjust inasmuch as he does not begin to represent all of the farmers of the country although by inference he allows that deduction to be drawn, and I further say that any President of the United States who, in the face of untold pressure, has the courage to veto a bill carrying special privileges to certain groups of farmers at the expense of the remaining farmers of the country should be praised and not criticized. It is not necessary for me to say to the Members of this House that I hold no brief for Mr. Coolidge. I am a new, unknown Member here. I do not know Mr. Coolidge, have never seen him, and he does not know that I exist. He, however, by vetoing Senate bill 4808 containing the equalization fee, did so much to save the farmers of my district from financial distress and embarrassment, and we owe him such a debt of gratitude, that I am attempting in my feeble way to let the people of this country know that the sentiments expressed about Mr. Coolidge yesterday by the gentleman from Minnesota, are not the sentiments of farmers living in all sections of this country. The gentleman from Minnesota is very hopeful that the present occupant of the White House will not carry out the Coolidge farm policies, but he is evidently doomed to disappointment, thank God! Mr. Hoover apparently feels that the so-called export debenture plan is as unfair, impractical, and sectional, as Mr. Coolidge considered the equalization fee, and Mr. Hoover in no uncertain language has recently let the Members of the Senate and House know that he will not support a plan he considers economically unsound; one that would cost the consuming public of the United States about one-third of a billion dollars yearly; cause the revenue from imports to fall off about \$150,000,000 a year, all in an attempt to assist the growers of only seven products, viz, pork, wheat, corn, rice, cotton, tobacco, and cattle; and would if enacted into law cause overproduction with distress to the farmers that always follows overproduction and would financially benefit exporters and speculators instead of the agriculturists. It would seem, therefore, that Mr. Hoover is following in the footsteps of Mr. Coolidge as far as allowing any plan which would result in special groups of farmers profiting at the expense of other groups of farmers becoming a law of the land, for which the farmers of my district are duly thankful.

In conclusion, let me say that I propose to vote for House bill No. 1, as it is now drawn. It may not be a perfect bill, but it is full of possibilities; is not sectional in its scope; is not political and does not favor one group of farmers at the expense of another group. Its enactment may eventually mean that the cost of transportation, profits of middlemen, speculators, and commission merchants, will be so reduced that the farmer will obtain a fair percentage of the amount paid by the consumer for farm-grown products. It may also aid the farmer of this country in controlling acreage and in orderly marketing his crops. And finally, the establishment of the farm board, will create a head for the largest and most essential industry in this country to-day. It will give the industry dignity, the psychological effect of which will be far-reaching, and it may—let us hope—eventually make every farmer in our 48 States happy, contented, and prosperous, and when this condition obtains the country as a whole will be happy and contented and prosperous—and not until then. [Applause on Republican side.]

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. SNOW. Yes.

Mr. KVALE. I regret very much that I was out of the Chamber when the gentleman began, but I understand he made some reference to some remarks I gave utterance to yesterday. I do not know just what those remarks were. However, will not the gentleman in fairness concede that I am stretching a point, in view of my faith and belief in the soundness of the equalization-fee plan, and also my belief that it would be worth

while to experiment in putting the debenture plan into the bill, when I vote for the bill, hoping that Mr. Hoover will do the right thing by the party?

Mr. SNOW. I do not question the gentleman's good faith at all. I simply felt that his criticism of a man that I had never seen and do not know was very unfair.

Mr. KVALE. I am willing to concede that the Coolidge policies have benefited the East. My contention is that they have not so benefited the agricultural West but quite the opposite.

Mr. SNOW. I do not agree with the gentleman from Minnesota. I confidently believe that the policies of Mr. Coolidge favored neither the farmers of the East nor of the West. He was opposed, however, to a policy which would favor one group of farmers at the expense of another group of farmers.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SNOW. Yes.

Mr. OLIVER of Alabama. Do I understand that the gentleman interpreted the bill carrying the equalization fee as imposing a tax on all farmers for the benefit of the wheat farmers of the West?

Mr. SNOW. Not necessarily the wheat farmers. As I remember, it would have affected the people growing six products.

Mr. OLIVER of Alabama. I understood the gentleman to say that the equalization fee contemplated the imposition of a tax on all farmers in Maine for the purpose of benefiting a group of farmers in the West.

Mr. SNOW. It would have benefited a group of farmers raising those commodities that we felt were being favored under the equalization-fee plan and would have increased the cost of living for our farmers and the cost of grain and grain by-products which they purchase as raw materials for the poultry and dairy industries, while dairy and poultry products were not included in the equalization-fee plan.

Mr. OLIVER of Alabama. I assume, then, that the gentleman's argument leads us to conclude that the equalization fee might have served to raise the price of wheat and thereby have been of hurt to the farmers of Maine.

Mr. SNOW. I do not necessarily speak of wheat. I speak of those six products, many of which our farmers have to purchase as raw materials.

Mr. OLIVER of Alabama. Speaking of the reasons assigned by the President for vetoing the bill, my recollection is that the main reason assigned by the President for vetoing the bill was that it was unconstitutional. If it were unconstitutional, the gentleman recognizes that there could never have been any tax imposed, does he not?

Mr. SNOW. I admit that, if it was unconstitutional.

Mr. OLIVER of Alabama. Does not the gentleman recall that Mr. Coolidge laid great stress upon the fact that the equalization fee was unconstitutional?

Mr. SNOW. Yes; I think I do; but I think that he laid equal stress on other features of it.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. HAUGEN. Mr. Chairman, I now yield to the gentleman from Pennsylvania [Mr. COYLE].

Mr. COYLE. Mr. Chairman, in this my first appearance before the Seventy-first Congress to present a few observations on the pending subject of farm relief, I come with pleasure but also with hesitation. I confess freely to lack of anything more than a sketchy idea of the solution to what I do yet recognize and know as a live, a real, and a pressing problem. I have heretofore promised myself, and promised an earlier Congress, that the impulse to speak and to print would be deferred for those occasions or subjects concerning which my own experience in life could cast some new or needed light; and, failing this test, to hold my peace. I do not pretend for a moment to be qualified as an expert in the solution of this problem, but only as a normal observant witness am I convinced that its ramifications are many and varied and that any legislation designed to aid agriculture must be drawn, if it is to be of any lasting benefit, along sound economic lines, and must be so drawn that agriculture is on a self-sustaining basis domestically, and is not placed in the position—to put it in plain, blunt language—of becoming a recipient of charity from the 80,000,000 American people engaged in other occupations. Legislation must define the end or goal, seek to establish general rules, perhaps point out various routes of travel as possible ones; and, beyond that, to refrain as far as possible from putting too heavy a plow harness on the winged Pegasus of American genius which will administer this plan.

Do not mistake me when I say that legislation must be so drawn that agriculture is on a self-sustaining basis domesti-

cally. By that I do not mean that agriculture should be obliged to meet foreign competition. I believe in adequate tariff protection for agricultural products so that the American farmer will have the domestic market. Our farmers must not be compelled to meet the peasantry competition of foreign countries.

I do commend the frankness of the gentlemen of the Committee on Agriculture for including in their report the following statement:

We do not offer the bill which accompanies this report as in and of itself the sum total of agricultural relief. It is entirely clear that such relief can be accomplished only by a program and not by a single bill.

To my mind it would perhaps have been better had the bill which we are now considering become known to the public as the "farm aid bill" rather than the "farm relief bill." The impression seems to have become fixed in the minds of millions of the American people that the present session of Congress has been called to determine and remedy once and for all the problems of American agriculture. I am firmly of the opinion that it is too immense and ramified a question to be solved by any one man or group of men in a single piece of legislation, or that legislation can be worked out now which will adjust all of the present difficulties of our great agricultural population. It is true, however, that the idea seems to have become strongly entrenched in the minds of millions of our citizens, who are no doubt sincere and have the best intentions in the world, that the whole salvation of the farmer to-day is wrapped up in immediate relief directly connected with the passing by Congress of just the right kind of legislation; that if Congress can pass a law with the mystic words grouped in just the proper order the troubles of the American farmer are over or at least are all "little ones." I sincerely wish this were true, for if such were the case, I believe there is the ability in Congress that could solve the puzzle. I do not believe, however, that there is any magic solution through legislation of all the farmer's problems, though I do believe a situation exists in which help can be given by the right kind of legislation and that this legislation is necessary.

One fact stands out before all others: Practically everybody seems to be agreed upon the point that there is an exceedingly bad condition as to the return agriculture receives for its produce, which, of course, governs the return on its investment and labor. There seems to be no general criticism of the methods of production. The American farmer is without doubt one of the most efficient, if not the most efficient, farmer in the world. He has made progress. In this development the farmer, scientist, and practical man have collaborated with the Department of Agriculture to arrive at the present state of high efficiency. As an evidence of this efficiency in 1909 the peak of the farm population in the United States was reached when 32,000,000 persons made their living and had homes on the farm. By January 1, 1929, the farm population had declined to 27,511,100, a decrease of approximately four and one-half millions. Notwithstanding this reduction of 14 per cent, our present agricultural production exceeds that of 1909, and some branches, such as poultry and dairy products, show remarkable increases. It was only a few years ago when there were 25,000,000 milk cows in the United States, while the present estimate is somewhat in excess of 21,000,000. Despite this decrease of almost 4,000,000 head the total volume of production has not only been kept up but at the present time is greater than it ever was. I think it may be safely said that farming practice or operations and efficiency in production have kept step with other industries, on the whole.

It follows, therefore, that legislation at this time need not concern itself with production. Despite the great movement from rural to urban centers the production of ample agricultural commodities appears to be assured. The problem, as I view it, is one almost entirely of distribution and sale. The pending bill has been drawn to aid the farmer in that distribution and sale of his produce. It is designed to assist him in further organization on the marketing side. That, as I see it, is the one great deficiency in the present agricultural make-up, which is more responsible for the present-day "inequality of agriculture," as it is so often termed, than any other one thing. Under to-day's conditions the farmer is often forced into disjointed, inefficient, incomprehensible methods of marketing.

A good slogan for the farmer, though an old one, in solving this marketing question would be "In organization there is strength," and this bill is designed to aid further organization, without in any way making it compulsory or obligatory. I doubt whether any compulsory or obligatory provision would stand the constitutional test. Practically every other industry in the United States is organized in some way, imperfectly no doubt in many instances, on the selling end, but nevertheless

organized. Such organization has been accomplished without financial aid from the Government. In this bill it is proposed to do something for agriculture which has never been suggested before for any other class of workers in the United States, namely, to supply the money which will make thorough organization possible and attractive to the farmers, and which the organizations must have in order to inaugurate a successful and comprehensive marketing program. It is proposed to furnish this money without the Government in any way assuming a managerial position in the affairs of the farmer. It is to be furnished to farmer-owned, farmer-controlled organizations who really in the final analysis, in my opinion, must be the agencies that make for the success or failure of the plan.

In addition, this bill will again do that which has never before been done for any industry, and in fact which no other industry would be permitted to have under our present laws; it gives to agriculture the so-called stabilization corporations. The pending measure contemplates stabilization corporations to be organized by the agricultural cooperative associations. Where the Government comes in, is by advancing the capital to these corporations, without an adequate supply of which they would be powerless to function. Capital will be furnished in sufficient amounts to make it impossible for speculative interests to force the price below the real value of any commodity. The backing of the Government will in itself be an additional insurance to the farmer as against these speculative interests. It is made a requirement that the entire voting stock of any stabilization corporation must be owned by the agricultural cooperative associations, the reason for this being obvious. Their one purpose would be defeated were their control possible by any other interest. These corporations are given broad powers in the storing, merchandising, and otherwise disposing of agricultural commodities. A limitation placed upon them, to safeguard the consumer, requires that they shall not withhold the sale of any commodity if such withholding produces distress to the consuming public. Whether these stabilization corporations will solve the problem of handling the farmer's surplus production, I do not venture a prediction. I hope they may. In any event, the gentlemen of the House Agricultural Committee, who have given the question long and serious consideration, evidently deem them worthy of a trial and for the present I am willing to accept their judgment. One important question arises: Will these corporations be a losing proposition? If so, the Government under H. R. 1 will without doubt "foot the bill." The opinion of the committee is that they will prove profitable. Again, I say the only way of determining this is to try them out.

The surplus production has been one of the outstanding if not the chief problem in the marketing of agricultural produce. It seems to be the consensus of opinion that there is no practical way of preventing such surpluses in the different agricultural commodities. If such regulation were possible, the wisdom of preventing a surplus is greatly to be doubted. Our national independence is safeguarded by the surpluses that we produce, not only in agricultural but in many other necessary lines. However, this question of the surplus and its proper handling has been the great stumbling block in the solution of the agricultural problem. We all know the history of the equalization fee, and I do not propose to go into that except to say that to my mind it was based on an unsound premise economically and would inevitably have brought but further misfortune on the farmer had it been enacted.

There is at present much discussion and newspaper comment of the so-called debenture plan. The Senate Agricultural Committee have included a provision for this plan in the bill which they have reported. It seems to be the "second line" of many, not all by any means, of former equalization-fee proponents. I consider the debenture plan even more unsound economically than was the equalization fee. I do not believe that the great force of public opinion would for a moment stand for this rather thinly disguised subsidy on the United States Treasury. The action of the House Agricultural Committee in decisively rejecting it is to be commended. I sincerely hope this House will stand firmly against any amendment which would incorporate the debenture certificate system in the pending bill.

Very briefly, as I understand it, the mechanics of the debenture system would contemplate, as it has thus far been advocated, that the farmer exporting—say, wheat, for example—would receive an export debenture certificate from the Treasury officials for one-half of the tariff rate on imports of wheat. The present tariff on wheat being 42 cents per bushel, if the farmer exported 1,000 bushels of wheat he would receive a certificate covering 21 cents on each bushel, or a total of \$210. The farmer could take this certificate to any importing firm or individual and theoretically sell it for \$210. Whether he could

always actually get the full face value of the certificate I very much doubt. The importer would use the certificate in lieu of currency in payment to the United States customs officials for a like amount of import duties. The net result would be that the farmer would get the world price for the commodity exported, plus the market value of the debenture. That would be the net result so far as the farmer is concerned, but it goes farther; it really amounts in substance to a subsidy to the farmer from the customs collections of the United States. Why have the farmer even peddle these certificates to importers? Why not have him send them directly to the United States Treasury and get the cash? The result, so far as the Government is concerned, would be the same, and it would eliminate the uncertainty as to the farmer possibly not receiving the full face value of the certificates.

In short, this plan simply means that the United States Treasury is out the total amount of debenture certificates issued in reduced customs collections. This amount must inevitably be made up by all the taxpayers. One surprising feature of the support of this debenture plan by some of the former equalization-fee proponents is that heretofore they have argued that the one thing they did not want was a Government subsidy to agriculture, and yet if the debenture system were adopted that is the one thing they would get. "A rose by any other name would smell as sweet."

My one regret in reaching my decision as to the course I should pursue in regard to the debenture plan is the fact that I must differ with the National Grange, which has indorsed it. I have so many friends in that organization and have such a high regard for the grange itself. It is the oldest farmer organization in the country. In 1866 a clerk in the office of the United States Commissioner of Agriculture, Oliver H. Kelley, was detailed to travel through and make a survey of the Southern States. Kelley must have been an observing chap, for on this tour of inspection he became convinced that what the farmers at that time needed was an organization which would give them opportunity for a better social life and technical instruction. When he came back to Washington in 1867 he resigned and started out, with \$2.50 in his pockets, to organize the Patrons of Husbandry, now commonly called the National Grange. The first local granges were organized in Pennsylvania, New York, and Ohio. Its growth, at first slow, has now reached more than 800,000 members, and it is, as the quality of its membership entitles it to be, a powerful force in the farm life of the Nation. The grange favors cooperative marketing, keeping the Government out of business, tax reduction, and economy in Government operations; is against Government guaranty of earnings; is against doles or other paternalistic legislation; and stands for law enforcement. With all those views I heartily agree. I believe the grange was one of the strongest forces in bringing about the passage of the interstate commerce law to regulate the railroads. It exerted a great influence in the laws making the Secretary of Agriculture a Cabinet officer, in the creation of rural free delivery, in the founding of agricultural experiment stations, and in the inauguration of the Parcel Post System. It has secured many other laws beneficial to the whole country and which have aided in the reformation of business and political practice. I hold the grange and my membership in the grange in the very highest esteem. But I can not reconcile the stand taken by their national officers in favor of the debenture plan with either my own judgment or their sound economic program of the past.

To sum up on H. R. 1: It will not bring about the millennium. It may not do everything we hope it will do. The idea is good. Whether it works out successfully or not will always probably be a matter of conflicting opinion. It is approved by President Hoover as fulfilling the promise made by him in the campaign of last fall of a Federal farm board to assist the farmer, and is in line with his first Presidential message to Congress on April 16, when he said:

The difficulties of agriculture can not be cured in a day; they can not all be cured by legislation; they can not be cured by the Federal Government alone. But farmers and their organizations can be assisted to overcome these inequalities. Every effort of this character is an experiment, and we shall find from our experience the way to further advance. We must make a start. With the creation of a great instrumentality of this character, of a strength and importance equal to that of those which we have created for transportation and banking, we give immediate assurance of the determined purpose of the Government to meet the difficulties of which we are now aware, and to create an agency through which constructive action for the future will be assured.

[Applause.]

Mr. ASWELL. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the President of the United States has issued two statements within the last week which have materially clarified the legislative situation on the farm bill. It will be recalled that in the last campaign we were assured by party spellbinders from the platform, through the press, and over the radio that Mr. Hoover had as a solution of the farm problem a wonderful bill—a bill beside which the McNary-Haugen bill paled as the stars beside the sun—a bill which would effectuate the tariff, which would add the tariff to the world price of the farmers' products, and which would elevate agriculture to a plane of economic equality with labor and industry.

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. WILLIAMS of Illinois. I listened over the radio every night during the campaign when anybody was speaking on either side. I think I heard about all the discussion that took place in this country on the farm problem. I never heard anybody make the statement the gentleman just now said was broadcast throughout the country and never heard any reference to the fact that Mr. Hoover had a bill.

Mr. CANNON. Mr. Hoover's plan to solve the farm problem was a universal topic of conversation throughout the country, both before and following the campaign. It was the principal talking point of Mr. Hoover's sponsors in the western campaign. The gentleman must have gone into a hole and remained there during the entire campaign in order to have avoided hearing it discussed.

Mr. WILLIAMS of Illinois. Oh, I was not in a hole. I was placing some other fellows in a hole.

Mr. CANNON. And the gentleman now desires to put the farmer in the hole. There was not a voter in the Central West who did not have the opportunity to hear of this epoch-making plan which would relieve the farmer's distress with a celerity and completeness to which the McNary-Haugen bill might never hope to aspire. And the very first thing your committee did when it met was to phone up to the President and ask him to send his Secretary of Agriculture down to the Capitol with the bill.

But the committee found the President was strangely reticent. He knew more about that bill than his party did. He knew that it would not fulfill the extravagant promises that had been made by his colleagues. He knew it would not effectuate the tariff. He knew it would not give the farmer the tariff in addition to the world price, and he knew that when this bill finally exploded there were going to be some political casualties in the vicinity, and he did not propose to be among those present. So he proceeded to pass the buck. He gave out a dignified, statesmanlike interview in which he said the functions of the executive department and the functions of the legislative department, were clearly defined in the Constitution, and each department of the Government was wisely confined to its own jurisdiction.

It might be said in passing that he should have explained this to Mr. Coolidge last May, when Mr. Coolidge was assuming the prerogatives of the judicial branch of the Government by vetoing the McNary-Haugen bill on the ground that it was unconstitutional without submitting it to the Supreme Court. However, in the statement given out at the White House Mr. Hoover very properly held that it was not the duty of the Executive to write legislation; that the initiation of legislation is a duty devolving upon the legislative branch of the Government, and he therefore proposed to allow Congress to formulate the bill for farm relief.

Now, the President is a man of great political acumen. He knows that this bill does not conform to the promises made in the campaign. He knows that it does not carry out the pledges made in the political platform of his party. He knows that it will not work; that it will not give the farmer the benefit of the tariff. He knows, just as you and I know, that it is destined to be one of the most disappointing legislative sedatives ever handed to the farmer. And both he and his party are anxious to divide responsibility for it as widely as possible, so they magnanimously appoint two Members of the minority on the subcommittee. Why did not they appoint a couple of minority Members to draft the tariff bill? Is not the minority just as much entitled to have a voice in the writing of the tariff bill as in the writing of the farm bill? Why this sudden generosity to the minority Members of the Agricultural Committee in the same session in which they refuse to allow minority Members even to attend the sessions of the Committee on Ways and Means now preparing the tariff law? It is because they need a scapegoat—somebody besides themselves to assume responsibility when the reaction comes.

So out of the generosity of their hearts they place two minority Members on the subcommittee, and they expect them

to bring the minority Members of the committee in, and they are hoping that as many Democrats as can be hoodwinked will join Mr. Hoover in assuming responsibility for the bill when the vote is taken on it in the House. Then, when the farmer discovers that the bill is a failure—that he is still getting less than the tariff on his products—Mr. Hoover has an excellent alibi.

It is not his bill. It is a nonpartisan bill. It was supported in the committee and in the House by Members from both parties, and Mr. Hoover can not be held responsible for its failures or shortcomings. I take off my hat to the two Members on the Committee on Agriculture who refused to lend themselves to any such plan; who declined to walk into that trap, as clever as it is; who refused to pull the President's chestnuts out of the fire by voting to report out the abortive bill we have before us to-day.

But with that exception the plan worked splendidly, and Mr. Hoover, after announcing that he declined to "dictate" to Congress, retired to his carefully prepared cyclone cellar, safe in out of the rain when the storms begin to sweep in from the field and feed lots of the victimized farmers.

But one consideration was overlooked—the character of statesmanship of the United States Senate. Thank God for the Senate! [Laughter and applause.] If ever in my life I have ever said any unkind thing about the Senate, I take it all back now. Over in the Senate we are blessed with men who have minds of their own; who have the courage of their convictions; and who are more interested in carrying out the platform pledges of their parties than in securing an advantageous position at the pie counter of a new President.

Now, remember that Mr. Hoover is not the father of this bill. He has left that impression. The committee has left that impression. We have that assurance from every administrative source. We are naturally somewhat puzzled as to why the subcommittee should write this kind of a bill when four out of the five wrote or subscribed to an entirely different kind of a bill last May and opposed the plan embodied in this bill vigorously and consistently. But we are just about ready to conclude that all of the four have changed the views and convictions of four years overnight, and that the President would have accepted any kind of a bill the subcommittee chose to write, and that he was especially anxious to accept the draft of the bill as originated by the two Democrats, when a startling development changed the entire aspect of the situation.

Some of you may have been on a farm some time in your lives. I wish more of you were in that class. If there were, the problem of farm relief might not be such a problem. But you who have been on the farm know that when you walk out into the pasture and see a litter of young pigs with several hogs about, it is difficult to tell to which one of them those particular pigs belong. But if you accidentally step on one of them you get the information suddenly and emphatically. [Laughter.] It might have been difficult to locate the source of the pending bill. But when the Senate, inadvertently or otherwise, stepped on it, out of his cyclone cellar came the President bristling with parental solicitude and issued in quick succession two pungent statements which allay all doubt as to his relation to the bill and the farm policy of the administration. Seldom in the annals of presidential papers has there been issued a more arbitrary and peremptory statement to this body. He says in effect: "You pass my bill, and pass it as I have given it to you, and no back talk."

Mr. WILLIAMS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Certainly.

Mr. WILLIAMS of Illinois. That is what you are going to do, is it not? [Laughter.]

Mr. CANNON. Not with my consent. And I am giving him the back talk now. And so far the gentleman has failed to offer any tenable criticism of my position.

Let us note the significance of the President's statement. He concedes that it is his bill. Not only does the House committee come up and consult him in advance before they wrote this bill—

Mr. WILLIAMS of Illinois. The gentleman ought not to make that statement. It is not based on what happened.

Mr. CANNON. The gentleman was on the subcommittee?

Mr. WILLIAMS of Illinois. I was.

Mr. CANNON. And the gentleman went up to the White House. If the gentleman can point out in the bill any instance in which he failed to follow the President's dictation; if he can point out a single sentence or provision that is not in implicit compliance with the President's wishes, I would be glad to have him do it.

Mr. WILLIAMS of Illinois. If the gentleman wants to know what happened I can tell him.

Mr. CANNON. The bill and the President speak for themselves. We know what happened.

Mr. WILLIAMS of Illinois. No; you do not.

Mr. CANNON. I and the House and the country know that you came back with Mr. Hoover's bill. And he not only dictated to the House committee but he also attempted to dictate to the Senate committee. Here is his opening statement:

The committee called on me requesting my opinion—

And I hereby give it to them hot off the griddle. [Laughter] And then he proceeds to divulge some very interesting information.

Let us observe the significance of this statement. In the first place he says in effect that the tariff is not now effective upon exportable farm products. Of course, that is a matter of common knowledge, but we had not expected that he would acknowledge it.

And then he says, practically in so many words, "And I do not propose to make it effective."

Some of my good friends, especially over on this side, have been clinging like a drowning man to a straw to that phrase in the bill, "maintaining advantageous domestic markets."

They have been insisting that an "advantageous domestic market" means a market in which the tariff has been added to the world price, and the fact that Mr. Hoover permitted the phrase to go in the bill means that under this bill he can and will make the farm tariff effective. But this statement, direct from the White House, makes it plain beyond possibility of misinterpretation that it is not a part of his farm policy to effectuate the tariff. In other words, that he has abandoned any intention of carrying out the pledges of the Kansas City platform to preserve the American market for the American farmer and give him the full benefit of the tariff on his products.

Let me read his exact words—

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. I would like for the gentleman to give me another hour. [Laughter and applause.]

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, it is easy to approach a question of the character here involved from a partisan standpoint. It is natural for the party not in power to blame the present plight of agriculture upon those who have been in charge of the Government of the country during preceding administrations, and to look askance at any method of solution proposed by the present administration. If disagreement as to the major issues of the day did not exist between the great parties in this country, there would be no reason for the existence of more than one of them. Nor have I any confidence in the arguments of those who profess a desire to remove this and some other questions from politics. Politics, according to the dictionary, is the science of government, and any question regarding government is a political question. This is a political forum. It has never been, and can never be, anything else. If politics is to be kept out of the farm-relief question, then that question must be kept out of Congress.

But if by politics gentlemen have reference to that thing which leads men to assume positions about which they are not sincere in an effort to curry favor with the electorate; which sometimes causes men to question the motives of other men, not because they themselves doubt them but because they desire to instill doubt in the minds of those who might otherwise rely on their leadership; which places the success of party or the political fortunes of the individual above considerations of good government; then I quite agree with them that not only the matter of farm relief and of the tariff but every other question as well ought to be kept out of politics.

The people of the United States by an overwhelming majority have commissioned the present administration to solve the question of farm relief. Personally I believed that a more effective solution might be arrived at under a Democratic administration, but the majority of the people did not think so. I believe that Mr. Hoover, as the leader of the incumbent administration, is approaching the performance of his task in the utmost good faith. It is inconceivable to my mind that any man big enough to be elected President of the United States could do otherwise. I believe he is backing a plan which in his judgment is best calculated to correct existing conditions. If he were inspired by nothing else except a selfish motive, he must know that his administration will be judged not by his professions, nor those of his followers, but by the results achieved. It must be, therefore, that he is endeavoring in good faith to measure up to the expectations of the American people in the matter of farm relief. If he succeeds, then he will be entitled to and will receive credit as one of the greatest states-

men of the age. If he shall fail, then it seems to me equally sure that some other leader will be selected to meet the responsibility.

Under these circumstances, therefore, I can not as a Representative of my people do anything to hamper him in the sincere effort to carry out any duty that he was commissioned to perform. That statement does not mean that I feel that I should vote for any proposal that I feel is manifestly unwise or unsound, merely because the President advances it as a solution of the farm problem; but when, as in this case, a new governmental problem is being dealt with, going largely into the field of experiment, when every plan advanced in any quarter for the solution of that problem is full of doubt, as is unquestionably true here, then I feel that the views of the man selected by the people to solve that problem ought to be entitled to great weight.

In view of the sentiment which now pervades this body for the acceptance of the committee bill without substantial change, it is apparent that lengthy discussion will be of no benefit. Not only Republican leaders in this House, backed by a majority of approximately 100, but Democratic leaders as well, have served notice that it is this or nothing. The ranking minority member of the Committee on Agriculture not only supports the bill but in effect says that as one of the members of the prospective conference committee he will be in favor of remaining here all summer rather than to yield to any change in the program which may be suggested by the Senate, apparently without regard to what that change may be and certainly without knowledge as to what form it may assume. Gentlemen who last year refused to support the McNary-Haugen bill with the equalization fee eliminated now cheerfully reverse their then position that a method of financing crop-surplus control to be borne by the producers of the crop benefited is an essential element of real farm relief. So far as I am personally concerned, I have discovered no reason for any change in the viewpoints which I entertained last year and which I endeavored to express on the floor during the consideration of the McNary-Haugen bill. I do not believe that any plan for bringing about the orderly marketing of crop surpluses, with resultant benefit in price to the producers, can be permanently successful which does not take into account the possibility or, rather, the certainty of occasional losses by the agency or agencies provided to do this work and provide a reserve by which depletions of capital occurring in this way may be replaced. Otherwise whether such agencies are originally provided with resources of a half billion or a billion dollars eventual disintegration through lack of reserve financial strength must result. In other words, such an agency must be a "going concern"; it must have the resources at its command by which it may overcome temporary reverses without going to the Congress for another dole whenever such reverses may appear. Nor has the American farmer asked for any donation from the Treasury of the United States. All that he has asked has been a legislative plan by which he might firmly and permanently organize his class to handle its problems of production and marketing in a businesslike way, an organization which he has been unable to effect through his own efforts, such a plan to be financed originally from the Treasury but permanently maintained through his own resources. This pending measure fails, in my judgment, to fully meet his need. I intend to vote for it; and yet I can not do so without explaining briefly my objections to it and my reasons for supporting it as a means to an end, which must come with additional and amendatory legislation in the future if it is to result in permanent benefit.

It is objectionable to me in that there are no territorial restrictions upon the membership of the farm board which it creates. Federal reserve bank legislation provided that the country should be divided into 12 districts, with a district reserve bank located in each, in order to insure to commerce and industry equally throughout the country proper representation in and proportionate control of our great financial system.

But under the pending bill the powerful board which it creates for the regulation of agriculture might all be located in one particular section of the United States. The President may appoint them without regard to their geographical location. It is not unlikely that the President, who drew his entire Cabinet from other sections of the country, may not be able to feel that any man living in that great section of the United States which produces cotton is competent to serve as a member of that board. If this should, unfortunately, be true, then the interests of the cotton farmer would have to be entrusted entirely to men who, however conscientious they might be, would not have that sympathetic touch with him and understanding of his problems necessary to do him justice. I think that upon that great board the South should have representation; and lest our President, or, in the future, some other Presi-

dent, might feel otherwise, I think it ought to be written into the law itself that the country should be divided into regional areas to the number of the appointive members of the board and one member appointed for each section.

The pending measure not only makes no provision, by equalization fee or otherwise, for replacing losses from the revolving fund, but it makes certain the steady depletion of that fund by providing that only the principal of loans repaid by cooperative associations and stabilization corporations shall be covered into the revolving fund, and that amounts paid as interest shall be covered into the Treasury of the United States. No good business concern undertakes to carry on its affairs without an adequate reserve. It is sought by this bill to provide for such a reserve for stabilization corporations, but not for the revolving fund which is to finance both the cooperatives and the stabilization corporations. It is to be anticipated that some of the loans made from the revolving fund will not be repaid; that the particular project for which the loan was made will, in some instances, be unsuccessful, in which event collection can not be had under the terms of the law from the members of the cooperative associations or stockholders in the stabilization corporations, as the case may be. Therefore the revolving fund must be depleted to that extent. But if the interest accruing on loans that are repaid could be used to make good such depletions, and no amounts of interest covered into the Treasury of the United States except such surplus as might not be necessary to keep the revolving fund up to the amount fixed by law, then the danger of the disintegration and final dissipation of the revolving fund would be lessened. But we are given here a plan which, without present or future amendment, means certain final failure, since it provides no means whatever by which losses sustained by the revolving fund may be replaced, and covers all profits in the shape of interest paid on loans into the Treasury of the United States. What manufacturer or merchant could operate a business successfully if all profits were withdrawn and all losses permitted to permanently deplete capital?

Another criticism that I have of the bill is the fact that according to its provisions no relief can flow to the farmer except through the cooperatives. Loans can be made to cooperative organizations alone, or to stabilization corporations organized by them. I say very frankly that the work of the Cotton Growers' Cooperative Association in my own State has not been such as to inspire the great majority of our farmers with the belief that relief can come through their agency. The formation of local organizations by the farmers of restricted localities, such as counties, or two or more counties, if such organizations shall be countenanced and dealt with by the farm board, might result in more widespread cooperation and greater confidence; but any organization to have the confidence of the farmers must be farmer-owned and farmer-controlled, and by this I mean real farmers—not those who might engage in the business of organizing the farmer merely in order to secure large salaries for themselves either at his expense or at the expense of Government loans made for other purposes. There is no sufficient protection in this bill against the activities of designing persons who might, through the medium of such organizations, attach themselves as leeches to the revolving fund, making use of loans therefrom to maintain expensive and high-salaried managing officials. Of course, the matter of making loans to such organizations is dependent upon the judgment of the farm board; but, in my judgment, assistance to the farmer ought not to depend entirely upon the organization of cooperative associations satisfactory to the farm board and to the farmer himself, for such organizations will be difficult to find or form. Alternative methods should be provided by which loans on cotton withheld from the market may be obtained by farmers who are not and may decide not to become members of any cooperative association. With the present membership of the Georgia Cotton Growers' Cooperative Association, loans from the revolving fund on cotton can not directly reach more than 7 per cent of the farmers of my State. If, of course, through the withholding of cotton from the market, either by cooperative associations or stabilization corporations, enhancement of price occurs, all cotton farmers will be benefited; but the provisions of this bill, which attempt to force the farmer, whether he wants to or not, to join cooperative associations in order to establish direct contact with the benefits of the revolving fund, ought to be modified.

Notwithstanding these and other objections which I will not take time to mention, I intend to vote for the pending bill. I voted for the McNary-Haugen bill last year, despite some objectionable features. This bill, to my mind, does not compare in its promise of permanent benefit to the farmer with the McNary-Haugen bill, however. If I thought that upon the passage of this bill legislation on this subject will stop and

no perfecting amendments be hereafter made, I would not vote for it; but I confidently believe that when Congress embarks upon a farm relief plan to the extent of allocating half a billion dollars of the people's money for that purpose, the people are going to see to it that any imperfections in the plan by which the money is to be handled as they develop shall be corrected, and that it is much more important that the United States Government shall definitely set itself about the business of restoring agricultural prosperity and commit itself irrevocably to such a program, than that we should be insistent, before giving a farm relief measure our support, that the means employed should in every way meet our ideas of the way to go about it. I rejoice that the cry of the farmer for help has at last been heard by those in power, even if, in the cases of many of them, they have hearkened to it from political necessity and not from choice. I am hopeful that notwithstanding the prospective adamant attitude of the House conferees, as expressed by the gentleman from Louisiana [Mr. ASWELL], the Senate may insist upon a proper share in shaping this legislation, and the result of its more liberal attitude to the farmer be reflected in the terms of the bill that is finally passed. At any rate, a vote against this bill would be a vote to deny to the agricultural population of this country any possible prospect of early legislation for their relief; and I can not cast a vote of that character. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman and gentlemen of the House, coming from a consuming rather than a producing district in an agricultural sense, although I have a considerable farming element in my district, and from a State which, in the nature of things, must contribute a rather sizeable proportion of the loan fund if this bill is enacted into law, I feel impelled to express my general view. I wish to found my support of this bill upon some more tenable reason than merely that it is an administration or a party measure. I wish to find a basis upon which I can satisfy my own reason and answer to my constituents. We must, indeed, have some real justification for putting \$500,000,000 of the people's money at risk in what to many may seem a precarious enterprise, but the purpose of the bill, its object, is of such supreme importance; not only to the class of our citizens to be directly benefited or relieved, but to the whole country, that a considerable risk is justified. If we can, by the means employed in this bill, place, or come anywhere near placing, our agriculture upon the same basis as other industry, if we can so restore the balance between agriculture and other industries, the result will be worth many times the amount of the Federal funds placed at the disposal of the cooperative and stabilizing corporations, even though not a penny of it should ever return to the Treasury. And if, through the operation of this bill, there should result some, or even a considerable, advance in the price of some of the necessities of life, that will be more than compensated by the influence which a restored prosperity of agriculture can not fail to have upon our general prosperity, for reasons so often stated on this floor.

This bill represents a venture, an experiment in the interest of agriculture. No one can with certainty predict its entire success, but on the principle of nothing venture nothing have, in my judgment it is more than worth while; and we can well justify our support to our reason, our consciences, and our constituents. But the object of this bill which somehow most particularly appeals to me is that it seeks to preserve, protect, and sustain the status of the farmer as an independent producer and freeman. Somehow agriculture seems to me to represent to-day the last stand of the American free and independent citizen. In this age of industrial competition and combination and in corporations, with its mass production, with emphasis laid upon the product rather than on the producer, the average man is an employee or servant of some other man, or more likely of some corporation rather than the free, upstanding citizen beholden to no man and only to his God, his country, and his family. It seems as though the only parts of our land which are still literally the land of the free, are the great agricultural open areas of the West, to which in my early days the star of empire took its way. And is not any expeditious effort to halt the decline in numbers of that hardy class of freemen to keep the boys and girls upon the farms, to increase the numbers of our farming classes, and to restore and preserve for them the proud position they have always occupied in our social structure? Again I recognize in this bill for all practical purposes, the bill of last year, shorn of the objectionable equalization fee, and maybe other features. It is a bill such as we, or most of us from the East, who would not accept the equalization fee, were prepared to vote for last year and the year before. Under it the Government, as such, will not embark upon any price fixing or merchandising or business venture other than the lending of money. It squares

with the declaration of my party platform so overwhelmingly accepted by the people, including the farmers, and with the views of the President of our country on the subject of farm relief, I shall vote for it, maybe with some misgivings, but none the less cheerfully and optimistically. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. SLOAN] five minutes.

Mr. SLOAN. Mr. Chairman, ladies, and gentlemen of the House, I had not expected to speak on this bill. I expect to say little. Had it not been for an interchamber parliamentary situation which has arisen during the last two days, prompting me to recognize a Nebraska duty, I should have not intruded upon your time.

I come here not as a new Member, like many of you, and not as an old Member, but as a renewed Member with a decade of interregnum. I come here seemingly as a challenge by the gentleman from Missouri [Mr. CANNON], who asked for a real farmer.

You are not interested much in my personal affairs. But I am living now, as I have lived for more than 30 years, on a farm that was and is my home, and which my son and I operate. I know something about it over there in the Corn Belt, and before I give the reasons that I contemplate giving I desire to tell you that I do not like to hear quite so much of the tale of woe that we hear from various quarters. I would like to hear a little more optimism and a little less pessimism. I like the songs of Moses and Solomon more than the plaints of Jeremiah.

We are ready to accept aid. The farmers of the United States are ready to accept aid, but I do not know many that are crying for relief. They are not stretching out their hands for alms. They are demanding as a matter of right the control of the American markets for all their products.

Out in the Dakotas, Iowa, and the Northwest we are not seriously complaining, because we are out in that country where the wealth is most evenly distributed in all this Nation—where the per capita in 1912 to 1922 is the highest in the United States. [Applause.]

I have sympathy for the farmers wherever they may be who have been unsuccessful or unfortunate from whatever cause. For that reason I am sympathetic with this piece of legislation. It will give at least one form of relief, and that is relief from farm relief legislation [laughter and applause] that we have heard so much about in the last few days.

We may give some aid through this measure—that wholesome aid that will come from unified action which is not the result of absolute demand but will be the result of a leadership which I expect to see starting as it will with the President of the United States. We have heard some criticism of him, and it is proper to criticize him if he deserves it. He is a wonderful man, my friends of the House. He was born just across the county line from my own nativity, and that ought to help him a little and me a great deal.

I take this legislation as I read it to be the crystallization of all of the attempts of those favorable and those opposed in farm legislation. The crystallization of the various compromises brought about in a period of six or eight years, until it comes out as the best product of this House of great men and great women.

You know I had a little reputation when I was on earth before as a mild partisan. It is a fine thing to come here and almost in my dimming vision be unable to find the middle aisle of this Hall. Especially as I see it through the formation of this bill, led by my venerable friend from Louisiana [Mr. ASWELL], who entered Congress with me, and the patriarch from Iowa [Mr. HAUGEN], whom I followed in agricultural matters when I served before.

The great State of Nebraska is going to be for this bill, because it is time to settle the farmer's problems and it is too late to be bringing in these death-bed confessions or over-night afterthought of debentures. The strongest reason I heard for supporting the debenture plan is that England had practiced it. Since when did we commence to follow England in economic matters, whether in tea at Boston Harbor or in agricultural products out in the Corn Belt? I want to say specifically that the farmers of Nebraska want to have this bill voted on and passed through this House, I trust through the Senate, and become a law at the hands of our great President. If there is merit in it, it should apply to 1929 crops. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, ladies, and gentlemen, I appreciate the fact that we are dealing with perhaps the most important economic subject which confronts the American people. As I view this House in its relationship to the Government, it is a council of the people. We are here because all of the people can not come. In the consideration of

these things which concern the people of the Nation I have no difficulty at all in conceding to other people the same integrity of purpose which I claim for myself. It makes no difference to which party we hold allegiance or from which section of the country we come, no man or woman in the Nation can fail to appreciate the tremendous importance of the question which we are now considering. It calls for the most unselfish patriotism and the highest type of statesmanship which this country has been challenged to produce, dealing with great economic questions. It is not profitable for us now to undertake to analyze the reasons why agriculture finds itself in its present situation. It is enough for us to have in mind that when the great industrial revolution came with the application of steam and electricity to the activities of man, and industry organized both the producing and the selling end, writing into its selling price the cost of production plus a profit, agriculture was not able to keep pace, and so now as we observe the situation we see the farmer to-day an individualist selling his commodity to the highest bidder, frequently under forced sale, and we see the most stupendous vocational and residential migration taking place in this country that has happened in all the annals of time. The gentleman from New York [Mr. WAINWRIGHT], who spoke just a moment ago, expressed the concern of a statesman and a patriot when he said that the time has come when we as the representatives of the people should undertake to turn back this mighty tide. We know it to be a fact that preachment will not turn back that tide. We know it to be a fact that while individuals change their places of residence, actuated by all sorts of considerations, the mass movement of men and women always has been toward the centers of best opportunity under the control of an economic law as compelling as the law of gravitation. It has controlled the migrations of all of the ages and will control them until the end of time.

We now face the solemn responsibility of dealing constructively with the situation. No person who is a patriot, who is just, who will support the protective tariff policy of this country, and I mean no offense, under which a mighty government compels and increases profits to individuals from what others have earned, ought to regard any constructive and sane effort to give to agriculture a compensatory advantage for what the Government compels agriculture to pay to industry as an unwarranted exercise of governmental power. It is justice. It is sound public policy. Let me say to you who come from the great industrial centers of the country, you who are statesmen, you can not be blind to the tremendous rapidity with which we are concentrating in power and wealth in this country. If you study the history of the world, you can not fail to know that the time is not far distant when the swing back will come. This movement, even if sound, as you may believe, is too rapid you must concede. The reaction is inevitable. When it comes this country will need in order to prevent too radical a swing in the other direction all the conservative strength it can command. The governments that have stood the test have been those who have been helped through by the conservative strength of the men and women who live in the open. That government fails woefully in its duty and in the protection of the self-interest that drives these people back upon themselves into class solidarity, conscious of economic injustice.

I had hoped that we could deal with the question before us differently from the way in which it is dealt with in this bill. I had hoped that we might bring the difficulties in crop merchandising within the reach of the capacity of producers in another way. I had hoped that we might improve our system of standardization so that each considerable quantity of agricultural commodity having distinctive characteristics indicative of the use to which it is best adapted, could have a separate trade term, that we could take our warehousing law and thereby a potential universal trade status while still at the point of first concentration and an established spot produce exchange and consolidate them into a complete market machinery and make it possible for people in communities producing a shipping unit of agricultural commodity to be put in practical trade contact with all the world, and upon that organization build our rural-credit system.

It is an interesting thing that since the days of the manorial markets in England and on the Continent, it has been regarded until comparatively recently the chief duty of government with regard to commerce in farm products to establish the possibility of trade contact. This bill does undertake to do that thing in some respects. I shall not have time to analyze the bill now.

I hope some amendments may be effective. I can only discuss one now. This bill declares in its introductory clause that the purpose of the bill is to give to agriculture equal opportunity with industry. Let nobody deceive himself about it. This is not a completed measure dealing with the agricultural situation.

This bill does not undertake to do it. I say that with all due respect. That introduction is not a true statement of that which the bill does undertake to do.

Agriculture has two problems. It has the problem of merchandising. This bill undertakes to deal with that. Then it has the problem of those crops which produce an exportable surplus. That is our big, unsolved, most difficult problem. This bill does not undertake to deal with that problem. I challenge any friend of the bill to prove that it does. That must be done. There is no question about it. Let us not blind ourselves by reason of partisan alignment to the real facts respecting that question. This bill undertakes to establish a system of more economic distribution in the domestic market primarily. But, gentlemen, I want you to listen to me just a minute. I want to have the particular attention of the chairman of the committee. I want the chairman of the committee to tell me if he will consider accepting an amendment that will strike out this provision from the bill which withdraws from the discretion of the board the opportunity to deal with the surplus of the corn growers of the West and of the wheat growers of the West and of the tobacco and cotton growers of the South? It is here.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JONES of Texas. I yield to the gentleman 10 minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes more.

Mr. SUMNERS of Texas. I must hurry along with this. I have great respect for the gentlemen on this committee.

Mr. HAUGEN. Does the gentleman refer to the insurance provision?

Mr. SUMNERS of Texas. No. I refer to subsection (e), at the bottom of page 10 of the bill. There are other changes which I would like to see, but this is the most important. It is all important. I have great respect, I say, for the gentlemen on this committee. I do not want to say anything that might be construed as offensive. I have listened to the gentleman from Nebraska [Mr. SLOAN], who seems of the opinion that agricultural conditions in his section are all right. I recently have gone through the rural sections of my district and I saw but one new house, one new barn, and two new fences. Those were the only improvements. My people are engaged chiefly in producing cotton. It is their money crop. From a half to two-thirds of that crop is exported. I ask you in all earnestness to consider the striking out of this language—

No loan or advance or insurance agreement under this act shall be made by the board if in its opinion such loan or advance or agreement is likely to increase substantially the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual domestic requirements.

There is commonly produced a surplus of cotton, corn, wheat, tobacco, and some other crops.

You might just as well have written into that bill corn, wheat, and cotton, and these other crops, because they do produce surpluses in this country in excess of the domestic demand. I submit to the chairman of this committee in all respect this proposition. It is recognized in economics that you can not increase the price without having a tendency to increase production. Besides I challenge the soundness of the assumption that these surpluses are bad things. They constitute the chief element of our economic strength and of our national strength and security.

Mr. HAUGEN. I suggest that the gentleman read the language.

Mr. SUMNERS of Texas. I have read every word of it. I ask the chairman to take it home with him to-night, study it again, and see if he can not agree to strike out subsection (e) and give us a chance to make an appeal to this board for the application of the provision of this bill to grain and cotton and these other surplus-producing crops are met with the statement of the board that they are acting in accordance with the mandate of Congress in refusing to apply to these crops the provisions of the bill because in the judgment of the board it might "increase substantially" the surplus.

Mr. HAUGEN. Does the gentleman suggest any other language on that?

Mr. SUMNERS of Texas. I suggest the striking out of that paragraph from the bill, and give the board a chance to help farmers who are producing cotton, and wheat and corn growers. I want to have a chance to appear before that board and present the necessities of my people. I do not want that board to hurl back in my teeth the statement that they can act only in accordance with the mandate of Congress incorporated in this bill. If anybody should ask me if you could increase the price of crops without tending to increase production, I would say no. You had just as well write in the bill the fact that

the corn and wheat and cotton producers are not to participate in this bill. What is this bill for, anyway? If it is the idea of those in responsibility that the people who produce these surpluses should be bankrupted until there is not enough left to produce a surplus, then this provision is in harmony with that idea.

Mr. BURTNESS. I have been very much concerned about this.

Mr. SUMNERS of Texas. Then strike it out, and that will relieve your concern. [Laughter.] Cut it out from top to bottom. The great difficulty in this country is in dealing with this surplus problem. These people who are producing these surplus commodities, which are a margin of safety for our people, and whose exportations contribute over a billion of dollars per annum to our balance of trade, are not deserving of the consideration and treatment proposed by this subsection. Those people support the protective-tariff system but can not benefit under any tariff bill. You have not a chance to reach those farmers who are not producing exportable surpluses by any tariff on what they produce. You do not touch them. Are we going to write a bill dealing with the economic conditions of agriculture and then put in the bill language that will cut out from the chance of participation the very people whom we ought in justice and good statesmanship to be anxious to serve? You put great discretion in this board. You give it all sorts of powers. You turn over to it \$500,000,000. Crops which do not produce an exportable surplus may be protected by the tariff. Are these producers of exportable surpluses, who can not be protected by the tariff, but who bear its burdens, to have this \$500,000,000 also saddled on them in the name of agricultural relief; and the board, even though it might consider it wise and sound to do so, to be deprived by Congress of giving these producers the benefit of any part of these millions which they will have in part to contribute? I appeal to my Democratic friends on this side. I know you have made the best fight you can for your people. Help cut this subsection out and give to us, who come from sections that produce an exportable surplus, a chance to fight before that board in behalf of our people. Let me give you a picture. Here are those people; they can not benefit from the tariff.

You people from the North and the East, I know, want to be fair. My farmers are compelled by the might of government to pay you out of their poverty more for what they buy from your manufacturers than they otherwise would have to pay. By the might of the Government we are compelled to do this. In my country women and children are in the fields when the women have a right to be at home and the little child is not privileged to answer the school bell—the tenant farmers especially.

They are my people whom I am fighting for to-day. The thing I ask is right, it is just, it is good statesmanship. Government must be just or government will suffer.

They not only have to pay more for what they use because the tariff laws compel them, but this is the situation. The farmers are disorganized. I do not know whether they are going to be organized or not, but when my farmer sends his daughter to school he has not only got to pay more for the clothes she wears, he can not buy in the market where he sells. You will not privilege him to buy in the market where he sells; but that is not all. The laborers get together and they say, "Living costs are up and we will have to charge more." The doctor charges more, everybody charges more, and they pass the increase around from one to the other, but when that passed from one to the other increase reaches these producers of exportable surpluses they can not pass it. They are compelled to sell in the markets of the world in competition with the cheapest labor on this earth, and they have got to absorb it. The farmer pays in the tuition charged a part of the increased cost which others have had to pay and similarly he pays everywhere. My time has expired.

I appreciate very much the attention which you have given me. It is impossible to analyze this bill now, but I appeal to you as men and as women who love this country of ours, and whose hearts are bigger than your section, to give us economic justice in this bill. [Applause.]

Mr. HAUGEN. Mr. Chairman, I understand that the gentleman from Missouri [Mr. CANNON] was given assurance he would get 30 minutes' time by the chairman of the Committee on Rules, and I now yield the gentleman 30 minutes. [Applause.]

Mr. CANNON. Mr. Chairman, the two statements which the President has issued identify him as the author of the bill which we have under consideration. It is his bill and he is responsible for it. If it is a success and gives the farmer the benefit of the tariff; if it brings back to the farm the prosperity agriculture enjoyed before the war, he is entitled to all the credit, and he

will go down in history as one of the Nation's great Presidents. If, on the other hand, it proves to be a failure, he must bear the responsibility. Congress favors the McNary-Haugen bill and has twice passed it and sent it to the White House, but it is apparent that the House at least now proposes to relinquish its preference in deference to the President and pass his bill. So next fall when the farmer hauls his grain to market and gets his check for it and when he ships his livestock and gets the sales sheet for them, he will remember when he looks at the check that the system under which he receives it was dictated by Mr. Hoover. If the returns from the sale gives him a wage for his labor and a return on his investment commensurate with the wages received by organized labor and the returns received by industry he will have Mr. Hoover to thank for them. If, on the other hand, there has been no material improvement in farm conditions; if he fails to receive for his surplus products the world price plus the benefit of the farm tariff; if he fails to receive for his wheat a price equal to 42 cents per bushel above the world market, then let him remember that this is Mr. Hoover's bill and this is his redemption of his party's campaign pledges, and this is his method of making the farm tariff effective.

Mr. KINCHELOE. Will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. KINCHELOE. The gentleman says that this is Mr. Hoover's bill. I want to say to the gentleman that Mr. Hoover never saw this bill until the subcommittee of the Committee on Agriculture went down there and presented it to him.

Mr. CANNON. We have heard that a number of times. Of course, he did not see the bill I hold in my hand, but this bill follows in every particular the exact plan outlined by the President. Just now I asked the gentleman's colleague, who went with him down to the White House, to point out a single provision not in compliance with the President's wishes. Who could believe that after a heated campaign, in which farm relief was one of the principal issues, the President turned these five obliging gentlemen loose to write the bill.

Mr. KINCHELOE. If the gentleman does not believe it, of course, he is rather pessimistic.

Mr. CANNON. The gentleman is very pessimistic on that subject and particularly pessimistic on the prospect of this bill benefiting the farmer, especially after hearing the gentleman's explanation of it. [Laughter.]

Mr. KINCHELOE. The gentleman has been pessimistic for some time, especially on parliamentary procedure.

Mr. CANNON. The gentleman will probably change his mind about that as he did about the equalization fee.

Mr. Hoover, in the last statement which he has issued, makes two notable admissions; first, that the tariff is not now effective and, second, that he does not propose to make it effective.

Here is what he says:

If the debenture on wheat exports is 21 cents a bushel, the price of wheat will be 21 cents higher in the domestic market than in the world market.

And this is the reason he objects to it. He objects to this bill because it will give the farmer 21 cents more than he is getting now for his wheat or 21 cents more than the world price.

Why, gentlemen, the tariff is supposed to give him 42 cents a bushel, and here the President objects because the Senate gives him half the tariff. That statement is a frank confession by the President that the farmer is getting no benefit from the tariff whatever.

All these years they have been telling the farmer that he was protected by the tariff. And in 1924, just to show the farmer that he was a full partner in the protective system, they raised the tariff on wheat from 30 cents per bushel to 42 cents a bushel. And every time the farmer becomes restive under the burden which industry's tariff loads on his shoulders they quiet him by explaining that he also has a tariff of 42 cents a bushel on his wheat, which means he ought to get 42 cents a bushel more than the world price. And now the President objects to the debenture because it will raise the price of wheat 21 cents above the world market, and the farmer suddenly discovers that the grandiloquent gesture of raising the tariff to 42 cents was merely a deception, a bare-faced fraud. For if the farmer were getting a tariff of 42 cents a bushel above the world price, why would the President object to a plan which would give him only 21 cents a bushel above the world price?

It is to be regretted that the farmer could not have been told this before the election last November. Let us see what the program was as announced during the campaign last fall. Not only were the platforms of both parties explicit in their promises to equalize agriculture with industry and give the farmer the benefit of the farm tariff, but both presidential candidates were

emphatic in their promises to give him effectual relief. Mr. Hoover said in his acceptance speech at Palo Alto:

An adequate tariff is the foundation of farm relief. The domestic market must be protected. Foreign products raised under lower standards of living are to-day competing in our home markets. I would use my office and influence to give the farmer the full benefit of our historic tariff policy.

Where in this bill, and when in this session of Congress especially convened to carry out Mr. Hoover's campaign promises, has he proposed to give the farmer the "full benefit of our historic tariff policy"?

Continuing, Mr. Hoover said:

The working out of agricultural relief constitutes the most important obligation of the next administration. I stand pledged to these proposals. The object of our policies is to establish for our farmers an income equal to those of other occupations; for the farmer's wife, the same comforts in her home as women in other groups; for the farm boys and girls, the same opportunities in life as other boys and girls.

In order to more fully understand just what Mr. Hoover was offering the farmer in promising him "an income equal to those of other occupations," let us consult his speech at Newark, N. J., the following September, in which he submitted the following table of incomes received by "those of other occupations" in America as compared with the incomes of similar occupations abroad:

Weekly wage if applied to the purchase of composite pounds of bread and butter

[Each pound 95 per cent wheat flour and 5 per cent butter]

	Railway earnings	Car-penters	Elec-tricians	Coal miners	Weavers	Day labor
United States.....	717	721	778	558	323	259
United Kingdom.....	367	262	267	267	136	160
Germany.....	217	173	158	133	106	112
France.....	269	94	123	136	73	68
Belgium.....	150	96	76	94	94	65
Italy.....	166	151	152	95	75	110
Sweden.....	261	256	224	180	155	162
Japan.....	164	125	96	60	83	306

It is evident from this table that labor and industry are receiving a much larger income in America than in any other country in the world. How does the income received by the American farmer compare with that received in foreign countries. Let us compare the same table from the standpoint of the farmer, the producer of the bread and butter so generously supplied to other occupations in the United States:

Weekly wages of farmers if applied to the purchase of the products of industrial labor, in hours

	Railway earnings	Car-penters	Elec-tricians	Coal miners	Weavers	Day labor
United States.....	14	14	13	18	30	37
United Kingdom.....	27	37	36	36	71	61
Germany.....	45	56	61	73	91	86
France.....	36	102	78	71	132	141
Belgium.....	64	100	127	102	102	148
Italy.....	58	64	63	102	128	88
Sweden.....	37	38	43	53	62	60
Japan.....	59	77	100	160	116	146

The second table is based on a weekly average farm production of 400 "composite pounds" equal in value to 200 at retail prices, the latter including all costs of handling, milling, baking, and distribution; and a 48-hour week for industrial labor.

The contrast is striking, and the question at once arises why this remarkable disparity between the Nation's greatest industry and its more favored occupations?

Again Mr. Hoover supplies the information. He explains in his Newark speech that—

The protective tariff has been a fundamental policy of the Republican Party ever since the party was founded. I suggest that employees investigate as to what would happen to their employment with lowered tariffs.

According to Mr. Hoover the tariff is one of the explanations of the superior incomes received by American labor and industry. It follows then that one of the first steps in carrying out his promise to give the farmer "an income equal to those of other occupations" is to give him the benefit of the tariff. I ask you to point out a single sentence in the pending bill which will effectuate the tariff in the slightest degree. The President tells us that high incomes are secured through a protective tariff, but in submitting a bill to increase the farm income he studiously

avoids giving the farmer the benefit of the tariff and protests vigorously when the Senate proposes to give him even half the tariff.

The President's own formula shows that while labor and industry are enjoying a high standard of living through protection from foreign competition the standard of living in rural America has been reduced to a minimum by competition with every food-producing nation in the world.

Note Mr. Hoover's summarization of the improvement in labor's standard of living as outlined in his Newark speech. He says:

Real wages and standards of living of our labor have improved more during the past seven and a half years of Republican rule than during any similar period in the history of this or any other country.

That is a sweeping statement, but corroborated in every particular by official statistics. Industrial wages, corporation profits, and taxable incomes have risen during these years to totals unparalleled in the history of commercial economics and finance.

But what has happened to agriculture in the meantime? During those seven and half years the farmer's income and standard of living have declined to a minimum. The wage received for his labor; the return on his investment in lands, stock, and equipment; the value of his land; the price of his wheat and cotton have fallen steadily, while taxes, freight rates, costs of production, and the price of necessities furnished by labor and industry have steadily advanced. Farm foreclosures, rural-bank failures, and loss of rural population have been unprecedented. As early as 1924, President Coolidge in his Lincoln Day speech in New York said:

The farmer is not receiving his share. The average price of his product is below pre-war level, whereas that of manufacturers is about 50 per cent higher. The result has been a decrease in the value of farm land, the choking of the avenues of credit with obligations which are worthless or doubtful, the foreclosure of mortgages, and the suspension of a large number of banks.

Surely the situation is sufficient to warrant for agriculture the same remedy which has proven so efficacious for labor and industry. Surely the farmer is entitled to the same tariff that has given other occupations in America the highest incomes in the world. And yet this bill does not provide it and the President objects to the Senate adding a provision which will make it half effective. And now only a scant eight months after he declared at Palo Alto that he proposed to give the farmer "an income equal to those of other occupations" he issues a letter to the Senate in which he says plainly that the tariff on surplus farm products is not effective and that he does not propose to make it effective.

Mr. COLE. Will the gentleman yield?

Mr. CANNON. I yield to my friend from Iowa.

Mr. COLE. Is it not true that the farmer gets the benefit of the tariff on butter and the consumers in the city pay the tariff on butter?

Mr. CANNON. That does not fulfill the promise of the President to make the tariff effective on export products. Butter is not an exportable product. We produce less than we consume. And it is an infinitesimal part of the total of our agricultural products. And even the tariff on butter will not long remain effective. For we are within a margin of 1 per cent of a surplus of dairy products. When we increase the production of butter 1 per cent additional, the tariff will cease to operate. And that time is not far distant, because as wheat and corn and cattle become unprofitable the farmer is driven into the more profitable farm activities, and already all through my section of the country we are abandoning the production of grain and meats and we are taking up dairying and wool growing. When you refuse to make the tariff effective on wheat you eventually nullify the tariff on butter. When you refuse to make the tariff effective on all farm products you in effect refuse to make it effective on any.

And both parties promised that they would make it effective. Here is the pledge from the Kansas City platform—here is the promise that you made to the farmers:

A protective tariff is as vital to American agriculture as it is to the American manufacturer. The Republican Party believes that the home market built up under the protective policy belongs to the American farmer, and it pledges the support of legislation which will give this market to him to the full extent of his ability to supply it.

And, not content with that emphatic assurance, the Republican platform further promised:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

There is the promise, but where in this bill is the provision to give the farmer the American market? And where is the section placing agriculture on a basis of economic equality with industry in protection against foreign competition? An unsupported tariff on any surplus exportable product is wholly ineffective. If the tariff was increased to \$10 a bushel, it would not affect the price of wheat; if it was reduced to 15 cents a bushel, it would not affect the price unless the equalization fee, the debenture plan, or some other method is included to make it effective. To levy a tariff and then refuse to make it effective smacks at bad faith. And this bill is the last opportunity to keep faith with the farmer.

And any Democrat who opposes enforcing the tariff on surplus farm products is just as much in conflict with his campaign pledges, for the Houston platform said specifically:

We pledge that in its tariff policy the Democratic Party will insist upon equality of treatment between agriculture and other industries.

Mr. Chairman, the disregard for rights and violation of law so widely discussed to-day through the press and in the pulpit pale into insignificance in their effect upon national character as compared with the failure and refusal of political parties to carry out the pledges of the platform to which they subscribed in order to insure their election to office. Failure to observe a political promise strikes at the very foundations of representative government. Otherwise how can voters know whether men and parties, if elected, will serve or exploit them?

If there is any sacred duty that is incumbent upon public men and political parties it is the obligation to carry out implicitly every promise made to the people in order to secure election to office.

The President has been particularly unfortunate in the choice of those upon whom he depends for information. He says in the opening paragraph of his first statement:

I regret to see that some farm organizations are again divided on measures of agricultural relief. One primary difficulty in the whole of this last eight years has been the conflict in point of view in the ranks of the agricultural organizations and the farmers themselves.

The President has been badly misinformed and sadly misled. Never in the history of farm-relief legislation have the farm organizations of the United States been so united in a definite legislative policy as to-day. During the last two Congresses covered by the President's statement every national farm organization in the United States except one—the Grange—was squarely behind the McNary-Haugen bill. So general a consensus of opinion can not be found in any other industry on matters of legislative program.

And now the Grange has joined forces with the rest of the farm organizations and to-day organized agriculture presents a united front. Every farm organization represented at Washington is in heartiest accord. The week before the extra session convened they unanimously indorsed a statement which was forwarded to congressional leaders declaring:

There are, in our opinions, four requisites which must be met by any legislation to permit it to qualify properly as farm relief. These requisites are:

1. It should make the tariff effective on all farm crops, so that surpluses will not be permitted to depress the domestic price to the world level of prices.
2. It should be of such nature that the control and disposition of agricultural surpluses are adequately provided for.
3. It should contain provisions which are automatic in their operation to check overproduction.
4. It should provide for farmer ownership and control of marketing organizations, with due consideration to cooperative associations already established.

The same points were stressed a few weeks ago by the Corn Belt committee. There is, therefore, practically unanimity among farm groups as to the principal features a farm bill must contain if it is to be effective.

In presenting these fundamentals the farm organizations declared:

It is too evident to need more than mention that legislation to be of benefit to agriculture must be of such nature that it will increase the farmers' net income. The American farmer must have an American price for his farm products in order to maintain an American standard of living; any legislation which stops short of attempting to secure this certainly will not suffice.

What could be more comprehensive and at the same time more specific than this statement? I challenge anyone who has been misinforming the President to name a single farm organization in America which does not subscribe fully and wholeheartedly to that statement and to the policy which it enunciates. It is the official program of American agriculture.

And here is the bill formulated in answer to that petition. I ask those who are championing the bill to point out a single sentence in it in which you propose to comply with any request made by organized agriculture.

Let us see what the bill actually does. It provides for a board which will use a \$500,000,000 revolving fund in a specified manner. Will it control the surplus; will it effectuate the tariff; will it raise farm prices? Of course it will not. I have inquired of the gentlemen in charge during this debate how this board under the powers conferred can make the tariff effective on surplus farm products. The only suggestion they have been able to offer is that the board would go into the market and buy the surplus. This bill does not contemplate that or provide for it. But let us suppose for the sake of argument that the board follows that suggestion. Let us permit the board to go into the open market and buy wheat, for instance, until the prices rises to 42 cents above the world market. Then I ask them what the board will do with this wheat after they have bought it. And they all say that the board would feed it back into the market after the price was up. There was never such an absurd statement made on the floor of this House. Everyone is aware that we produce every year approximately 800,000,000 bushels of wheat, and that we consume about 600,000,000 bushels. There are 200,000,000 bushels that we can not eat, and that we must export. The only way in the world that the board could feed that wheat back into the market and not depress the price would be to make every man eat practically two loaves of bread where he now eats one.

In other words, the board in order to secure farm relief under this bill must make every family in America eat two loaves of bread where it now eats one. And yet they called the McNary-Haugen bill uneconomic and unworkable.

But suppose they decide to sell the surplus abroad. If they dispose of it on the world markets they must take the world price for it, and if they buy it at 42 cents above the world price, and sell it abroad at the world price a huge deficit is inevitable. How will this loss be paid? Some of our optimistic friends say it will be taken out of the revolving fund, which of course means it will come out of the United States Treasury. And there is no provision in this bill for its return. Wall Street will never stand for that. Wall Street is down here right now hammering at the doors of Congress and demanding another reduction in income taxes. Will they permit you to take this deficit out of the Treasury indefinitely? You know they will not. You know this bill provides no method of controlling the surplus and no possible means of materially increasing the farm income—and certainly no opportunity whatever for making the farm tariff effective. In fact, the more you study it the more apparent it becomes not only that the bill will not work but that it was never intended to work; that it was never intended for the farmer to have the benefit of the tariff; that always he is to pay increased prices for everything he buys to support industry's tariff while he receives nothing from his own tariff.

I am not opposing this bill in a partisan spirit. I have been anxious to see both parties cooperate in adequate farm legislation as both of them did in the last Congress. And I am sincerely anxious to see the President make an unqualified success of his farm policy. The agricultural situation is too serious to admit temporization for political advantage. I hope I am wrong in my criticism of this bill and when it passes and the President turns to the task of its administration I shall say, "My heart is with you Mr. President. I wish you success. Godspeed and good luck."

But while the bill is under consideration here it is the duty of every Member from an agricultural district to follow the dictates of his own judgment regardless of party affiliations and use every effort to shape it to meet the needs of those whose benefit it is supposed to serve. And to those who after supporting a farm bill they personally indorsed through the last two Congresses are now wavering between two opinions, I commend the admonition of St. Paul:

Be ye henceforth not children, tossed to and fro, and carried about by every wind of doctrine, by the sleight of man, and cunning craftiness, whereby they lie in wait to deceive.

[Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman and ladies and gentlemen of the committee, I will not long trespass on your patience. The pending bill has been under discussion for nearly a week. Every phase and part of the proposed legislation has been discussed in and out of Congress for six or seven years. The bill

we are considering contains no new plan or formula for the solution of the farm problem. It does not embody any definite or specific plan to place agriculture on an equality with other industries. The bill does not fulfill the platform pledges of either the Republican or Democratic Parties. The bill does not meet the expectations and demands of the American farmers. It is not the legislation the agricultural classes were promised by the two political parties during the last presidential campaign. This bill is a subterfuge. It is a combination of words, words, and more words. It proposes nothing concrete. It provides no workable plan for the rehabilitation of agriculture. It is disappointing to me and it will prove a great disappointment to the farming classes, who confidently expected President Hoover to give them an honest-to-goodness farm relief bill. This bill will afford no substantial relief to the American farmers.

Much has been said during this debate about a nation-wide referendum on the McNary-Haugen plan and on the equalization fee. Every sensible person in the United States knows that the election in 1928 did not turn on the farm question. If there is a Member of the Congress of the United States who is so simple-minded as to believe, deep down in his heart, that the election of 1928 turned upon the McNary-Haugen bill or the equalization fee, then that gentleman is a fit subject for a feeble-minded institute. Every man and woman of intelligence in America knows that in the last election the farm question was pushed into the background and the results of the election turned on other questions, namely, religion and prohibition. In their eagerness to express themselves on other questions the American people forgot for the time being the distress of agriculture and other important questions.

No one will seriously contend that Virginia, North Carolina, Florida, Texas, Tennessee, Oklahoma, Kentucky, and Missouri were carried by Mr. Hoover because he opposed the McNary-Haugen bill and the equalization fee. No one will insist that Iowa, Minnesota, the Dakotas, and other agricultural States in voting for Mr. Hoover abandoned the McNary-Haugen bill or disapproved the equalization fee. These States voted for Mr. Hoover not because of his views on the farm problem but in spite of his known hostility to the farm relief measures in which they firmly believed. In short they said by their votes that they would for the time being forget the farm question because they had the same views on some other questions as those entertained by Mr. Hoover. The farmers of these great agricultural States still believe in the principle and formula embodied in the McNary-Haugen bill and they still believe that the equalization fee is the only plan that has yet been devised that will make any farm measure workable and materially improve agricultural conditions. Nor will any one be so simple as to argue that Governor Smith carried Massachusetts and Rhode Island on the farm issue. The truth of the whole business is that the farm question was not the deciding factor in the recent presidential election and this talk about a nation-wide referendum on the McNary-Haugen bill and on the equalization fee is all bunk and ridiculous.

The farmers who voted for Mr. Hoover did not thereby reject the equalization fee or the McNary-Haugen bill but they pushed aside the farm question in order to express their views on the other and controlling issues, or so-called issues, in the campaign.

The bill the administration has presented is a hodgepodge or combination of legislative proposals that have been discussed in and out of Congress for six or seven years. The pending bill is the Curtis-Crisp bill, the Aswell bill, the Yoakum bill, the Fess bill, combined with a few of the provisions of the McNary-Haugen bill. But it does not contain the vital and worthwhile provisions of the McNary-Haugen bill. What is best in the McNary-Haugen bill is omitted from this measure. The provisions that would have made the McNary-Haugen bill workable and sound are not to be found in this bill.

This bill does not begin to start to get ready to commence to solve the farm problem. It will accomplish but little for American agriculture. It makes no provision for control of our surplus farm commodities. There is not a line in the bill that will make the tariff on farm products effective. Nothing in the bill that will effectively withdraw the surplus from the market and prevent the surplus from being dumped on the market, thereby depressing the market to a point where the farmer will not get the cost of production for his commodities, much less a profit. Unless this bill contains some provision by which the surplus can be controlled and the tariff made effective, the measure will be of no substantial benefit to the American farmers. Cooperative associations will be powerless to stabilize the market and advance prices to a reasonably high level, because the great mass of producers will remain outside of the cooperative associations. I believe in cooperative-marketing associations when conducted along sane and rational

lines, but under this bill those who remain out of the cooperative associations will get the benefit of any advance in price that may result from the activities of the cooperatives and will not have to bear any of the cost or assume any of the liabilities of the members of the cooperative associations. I have studied this bill carefully. Aside from aiding cooperative-marketing associations by lending them money, I am unable to see how this bill can help the farmer to any worthwhile degree.

When I first read this bill I was of the opinion that it would not furnish over 2.75 per cent relief to the American farmer, but the more I study the bill the more I am convinced that it will not give us more than one-half of 1 per cent relief. [Laughter and applause.] I am for a farm bill that will give us as nearly 100 per cent relief as possible. I am for a farm bill that will really do something for the farmer. I want a farm bill with some "guts" in it, if you will pardon the expression. The bill you are saddling on the country is a makeshift. It is largely a counterfeit bill.

May I submit the following observations:

(a) The tariff on farm products can not be made effective without adequate provision is made for control of the surplus.

(b) You can not control the surplus without an adequate revolving fund to remove the surplus farm products from the market.

(c) You can not make any plan effective unless provision is made to replenish the revolving fund when it is depleted by losses that will inevitably occur in buying and marketing the surplus.

(d) The revolving fund can only be replenished from one of two sources, either from Government subsidies or a fee or tax collected from the grower of the commodity, the price of which is advanced and stabilized on a higher level than would otherwise prevail.

(e) The revolving fund authorized by the pending bill will ultimately be depleted or absorbed, and no provision has been made to replenish the fund. Moreover, this bill is based on a Government subsidy which is repulsive to the fundamental principles of our Government.

(f) It will not be sufficient to stabilize the price of farm products, but it is imperative that they be stabilized on a higher level than the one that now prevails, and on a basis that will be substantially in excess of the cost of production.

But it is said the bill is a step in the right direction. I am not so sure about that. I fear it is a step backward, a plunge into the fathomless sea of inaction. I realize the administration is going to railroad this bill through the House without amendment, but I am hoping the Senate may rewrite the measure so as to make it meet the expectations and demands of the agricultural classes who have waited long and patiently for some real farm relief legislation. We ought not to disappoint them. And this bill will be a bitter disappointment to the farmers of America. [Applause.]

Mr. ASWELL. Mr. Chairman, I have no more time to yield. There were some Members to whom I promised time, but they have generously agreed to cut it down, and it has relieved me of embarrassment.

Mr. HAUGEN. I ask that the Clerk read the bill.

The Clerk read as follows:

Be it enacted, etc., That it is hereby declared to be the policy of Congress (1) to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries; and (2) to that end to protect, control, and stabilize the current of interstate and foreign commerce in the marketing of agricultural commodities and their food products by minimizing speculation, preventing inefficient and wasteful methods of distribution, and limiting undue and excessive price fluctuations; by encouraging the organization of producers into cooperative associations and promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies; and by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from unduly depressing prices for the commodity. The Federal farm board shall execute the powers vested in it by this act only in such manner as will, in the judgment of the board, aid to the fullest practicable extent in carrying out the policy above declared.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and Mr. TILSON having taken the chair as Speaker pro tempore, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. No. 1, the farm relief bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted Mr. MURPHY (at the request of Mr. SPEAKS, of Ohio) indefinitely on account of the death of his wife.

Mr. SCHNEIDER. Mr. Speaker, I ask unanimous consent for indefinite leave of absence for my colleague [Mr. PEAVEY] on account of illness.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PRESIDENT HOOVER'S SPEECH ON LAW OBSERVANCE

Mr. HUDSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the address of President Hoover on law observance yesterday before the annual luncheon of the Associated Press in New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUDSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the address of President Hoover above referred to.

The address is as follows:

Members and friends of the Associated Press, I have accepted this occasion for a frank statement of what I consider the dominant issue before the American people. Its solution is more vital to the preservation of our institutions than any other question before us. That is the enforcement of and obedience to the laws of the United States, both Federal and State.

I ask only that you weigh this for yourselves, and if my position is right that you support it—not to support me but to support something infinitely more precious—the one force that holds our civilization together—law. And I wish to discuss it as law, not as to the merits or demerits of a particular law but all law, Federal and State; for ours is a Government of laws made by the people themselves.

A surprising number of our people, otherwise of responsibility in the community, have drifted into the extraordinary notion that laws are made for those who choose to obey them. And, in addition, our law-enforcement machinery is suffering from many infirmities arising out of its technicalities, its circumlocutions, its involved procedures, and too often, I regret, from inefficient and delinquent officials.

We are reaping the harvest of these defects. More than 9,000 human beings are lawlessly killed every year in the United States. Little more than half as many arrests follow. Less than one-sixth of these slayers are convicted, and but a scandalously small percentage are adequately punished. Twenty times as many people in proportion to population are lawlessly killed in the United States as in Great Britain. In many of our great cities murder can apparently be committed with impunity. At least fifty times as many robberies in proportion to population are committed in the United States as in Great Britain, and three times as many burglaries.

Even in such premeditated crimes as embezzlement and forgery our record stands no comparison with stable nations. No part of the country, rural or urban, is immune. Life and property are relatively more unsafe than in any other civilized country in the world. In spite of all this we have reason to pride ourselves on our institutions and the high moral instincts of the great majority of our people. No one will assert that such crimes would be committed if we had even a normal respect for law and if the laws of our country were properly enforced.

In order to dispel certain illusions in the public mind on this subject, let me say at once that while violations of law have been increased by inclusion of crimes under the eighteenth amendment and by the vast sums that are poured into the hands of the criminal classes by the patronage of illicit liquor by otherwise responsible citizens, yet this is but one segment of our problem. I have purposely cited the extent of murder, burglary, robbery, forgery, and embezzlement, for but a small percentage of these can be attributed to the eighteenth amendment. In fact, of the total number of convictions for felony last year, less than 8 per cent came from that source. It is therefore but a sector of the invasion of lawlessness.

What we are facing to-day is something far larger and more fundamental—the possibility that respect for law as law is fading from the sensibilities of our people. Whatever the value of any law may be, the enforcement of that law written in plain terms upon our statute books is not, in my mind, a debatable question. Law should be observed and must be enforced until it is repealed by the proper processes of our democracy. The duty to enforce the laws rests upon every public official and the duty to obey it rests upon every citizen.

No individual has the right to determine what law shall be obeyed and what law shall not be enforced. If a law is wrong, its rigid enforcement is the surest guaranty of its repeal. If it is right, its enforcement is the quickest method of compelling respect for it. I have seen statements published within a few days encouraging citizens to defy a law because that particular journal did not approve of the law itself.

I leave comment on such an attitude to any citizen with a sense of responsibility to his country.

In my position, with my obligations, there can be no argument on these points. There is no citizen who would approve of the President of the United States assuming any other attitude. It may be said by some that the larger responsibility for the enforcement of laws against crime rests with State and local authorities and it does not concern the Federal Government. But it does concern the President of the United States, both as a citizen and as the one upon whom rests the primary responsibility of leadership for the establishment of standards of law enforcement in this country. Respect for law and obedience to law does not distinguish between Federal and State laws—it is a common conscience.

After all, the processes of criminal law enforcement are simply methods of instilling respect and fear into the minds of those who have not the intelligence and moral instinct to obey the law as a matter of conscience. The real problem is to awaken this consciousness, this moral sense, and if necessary to segregate such degenerate minds where they can do no future harm.

We have two immediate problems before us in government, to investigate our existing agencies of enforcement and to reorganize our system of enforcement in such manner as to eliminate its weaknesses. It is the purpose of the Federal administration systematically to strengthen its law-enforcement agencies week by week, month by month, year by year, not by dramatic displays and violent attacks in order to make headlines, not by violating the law itself through misuse of the law in its enforcement, but by steady pressure, steady weeding out of all incapable and negligent officials no matter what their status; by encouragement, promotion, and recognition for those who do their duty; and by the most rigid scrutiny of the records and attitudes of all persons suggested for appointment to official posts in our entire law-enforcement machinery. That is administration for which my colleagues and I are fully responsible so far as the human material which can be assembled for the task will permit. Furthermore, I wish to determine and, as far as possible, remove the scores of inherent defects in our present system that defeat the most devoted officials.

Every student of our law-enforcement mechanism knows full well that it is in need of vigorous reorganization; that its procedure unduly favors the criminal; that our judiciary needs to be strengthened; that the method of assembling our juries needs revision; that justice must be more swift and sure. In our desire to be merciful the pendulum has swung in favor of the prisoner and far away from the protection of society. The sympathetic mind of the American people, in its over-concern about those who are in difficulties, has swung too far from the family of the murdered to the family of the murderer.

With a view to enlisting public understanding, public support, accurate determination of the facts, and constructive conclusions, I have proposed to establish a national commission to study and report upon the whole of our problems involved in criminal-law enforcement. That proposal has met with gratifying support and I am sure it will have the cooperation of the bar associations and crime commissions in our various States in the widespread effort now being made by them. I do not propose to be hasty in the selection of this commission. I want time and advice, in order that I may select high-minded men, impartial in their judgment, skilled in the science of the law and our judicial system, clear in their conception of our institutions. Such a commission can perform the greatest of service to our generation.

There is another and vastly wider field than the nature of laws and the methods of their enforcement. This is the basic question of the understanding, the ideals, the relationship of the individual citizen to the law itself. It is in this field that the press plays a dominant part. It is almost final in its potency to arouse the interest and consciousness of our people. It can destroy their finer sensibilities or it can invigorate them. I am well aware that the great majority of our important journals day by day give support to these high ideals.

I wonder, sometimes, however, if perhaps a little more support to our laws could not be given in one direction. If, instead of the glamour of romance and heroism which our American imaginative minds too frequently throw around those who break the law, we would invest with a little romance and heroism those thousands of our officers who are endeavoring to enforce the law it would itself decrease crime. Praise and respect for those who properly enforce the laws and daily condemnation of those who defy the laws would help. Perhaps a little better-proportioned balance of news concerning those criminals who are convicted and punished would serve to instill the fear of the law.

I need not repeat that absolute freedom of the press to discuss public questions is a foundation stone of American liberty. I put the question, however, to every individual conscience, whether flippancy is a useful or even legitimate device in such discussions. I do not believe it is. Its effect is as misleading and as distorting of public conscience as deliberate misrepresentation. Not clarification, but confusion of issues arises from it.

Our people for many years have been intensely absorbed in business, in the astonishing upbuilding of a great country, and we have attempted

to specialize in our occupations, to strive to achieve in our own specialties and to respect competency of others in theirs. Unconsciously, we have carried this psychology into our state of mind toward government. We tend to regard the making of laws and their administration as a function of a group of specialists in government whom we hired for this purpose and whom we call public servants. After hiring them it is our purpose casually to review their actions, to accept those which we approve and to reject the rest.

This attitude of mind is destructive of self-government, for self-government is predicated upon the fact that every responsible citizen will take his part in the creation of law, the obedience to law, and the selection of officials and methods for its enforcement.

Finally, I wish to again reiterate that the problem of law enforcement is not alone a function or business of government. If law can be upheld only by enforcement officers, then our scheme of government is at an end. Every citizen has a personal duty in it—the duty to order his own actions, to so weigh the effect of his example, that his conduct shall be a positive force in his community with respect to the law.

I have no criticism to make of the American press. I greatly admire its independence and its courage. I sometimes feel that it could give more emphasis to one phase or another of our national problems, but I realize the difficulties under which it operates. I am wondering whether the time has not come, however, to realize that we are confronted with a national necessity of the first degree, that we are not suffering from an ephemeral crime wave, but from a subsidence of our foundations.

Possibly the time is at hand for the press to systematically demand and support the reorganization of our law-enforcement machinery—Federal, State, and local—so that crime may be reduced, and on the other hand to demand that our citizens shall awake to the fundamental consciousness of democracy which is that the laws are theirs and that every responsible member of a democracy has the primary duty to obey the law.

It is unnecessary for me to argue the fact that the very essence of freedom is obedience to law; that liberty itself has but one foundation, and that is in the law.

And in conclusion let me recall an oft-repeated word from Abraham Lincoln, whose invisible presence lives hourly at the very desk and in the very halls which it is my honor to occupy:

"Let every man remember that to violate the law is to trample on the blood of his father, and to tear the character of his own and his children's liberty. Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her lap. Let it be taught in the schools, in seminaries, in colleges. Let it be preached from the pulpit, proclaimed in the legislative halls, and enforced in courts of justice. And, in short, let it become the political religion of the Nation, and let the old and the young, the rich and the poor, the grave and the gay of all sexes and tongues and colors and conditions sacrifice unceasingly upon its altar."

EXTENSION OF REMARKS—FARM RELIEF

Mr. LARSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a copy of a letter I received from an attorney in my home State on farm relief.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LARSEN. Mr. Speaker, by virtue of leave heretofore granted, I submit for insertion in the RECORD copy of letter received from Mr. Charles E. Baggett, a prominent attorney of my home city. Mr. Baggett does a rather extensive farm-loan business, has had considerable business experience, and should, therefore, be well qualified to speak on farm problems and to offer helpful suggestions.

The letter is as follows:

DUBLIN, GA., April 16, 1929.

HON. W. W. LARSEN, M. C.,
Washington, D. C.

DEAR SIR: I know that you are interested in any legislation that will be of interest to the farmers; that will benefit them in gaining value received for their farm commodities.

I further know without requesting it, that you will use every ounce of your energy to get enacted any legislation tending to better farming conditions.

The weighty questions are:

Will the proposed marketing measures give the farmer any relief? and

Will there not have to be some reorganization of American finance before the farmers will be benefitted?

The Sherman antitrust law was designed to prevent big business from parceling out territory, and monopolizing trade in it.

There is some legislation more badly needed than was the Sherman law.

In 1921, William P. G. Harding issued that famous, overnight order that no more rediscounts would be allowed anybody to hold commodities off the market.

The farmer could not get money to hold his cotton for a price commensurate with its cost of production. He could not pledge his hogs and get money to enable him to hold for a better price.

Unable to get money, he was forced to sell. His debts were due. Judgments were rendered against him. The sheriff was at his door, and his produce had to go.

This patriotic governmental Federal reserve bank helped the speculators to rob him. The Federal reserve did it with that damnable order.

The error of the Federal reserve was not all the trouble.

When that order went forth, big business became frightened. Corporations, firms, and big operators everywhere began to look for finance.

Any business that felt it would need money within the next 3, 6, or 9 months to hold its commodities sought new sources of money. The Federal reserve could not supply them longer for business that had a speculative color.

In the name of high heaven, what business is it that does not have an element of profit to it?

For God's sake, what do people do business for, if not for profit?

Why should goods be held until they were demanded by the consuming public, if it were not for the purpose of getting better prices?

Under the Federal reserve order, there should be no more holding.

What did the factories and big business houses do when that order became effective?

Here is the story:

They uttered their obligations and placed them in the hands of brokers to sell for them. They went to all the small country banks and sold these notes or obligations to them.

They promised 8 per cent for the money and then agreed with the banks not to withdraw it.

Big business parceled out the territory and borrowed the money and did not use it, just to prevent the farmers from getting it.

The big packers and big cotton men borrowed the money of many communities in many banks to keep the farmers from getting it. They did it to prevent farmers from holding their crops for better prices.

Big business took advantage of the Federal reserve order and then tied up all the money in the country to prevent the producer from holding his produce off the market.

Was this Federal reserve order a connivance with big business? Was it concerted action of both to impoverish the producers?

What happened (as Al Smith says)?

The farmer had to sell, because he could not get the money to hold his crop.

The packers took his hogs at half price. The cotton speculators took his cotton at less than the cost of production. His cows went for half the cost price.

This same packer that borrowed the community's money at 8 per cent enjoyed the small profit of 100 per cent. The cotton traders who paid 8 per cent made a haul that made them rich. Cotton-mill operators had the biggest dividends in the history of the country.

Farmers lost their homes. Their children went cold where the cotton grew to clothe the civilized world. They went hungry in the land where their hogs were sold at less than half price.

What is the horror of it all?

The country that fathered the Federal reserve banking system and the national banking system has the reputation of making 14,000 millionaires and 70,000,000 paupers of the splendid, silken-haired members of the best race God ever created.

The people must be educated away from the banks.

When you put your money in a bank you help some speculator to rob you. When the country's deposits find the center of finance, the multimillionaires borrow it to corner the markets of everything the people eat, wear, and use.

Great Britain has 562 millionaires with its long centuries of government and civilization. America has 14,000 in its youth as a nation.

Bank deposits of all communities furnish the pool for the speculators. The Federal reserve was created for speculators—those who buy and export and those who buy and import.

The Government will have to dethrone the kings of finance, put the issuance of currency under the Central Government, and break up the exchanges where millions of commodities are sold and never delivered.

Strange that neither political party mentioned finance during the last campaign.

Both parties camouflaged with that special "built-to-order" contrivance, the McNary-Haugen bill, to prevent the people seeing their pitiful conditions financially.

We see they are going to make a banker out of Al Smith.

Imagine the leader of the Democratic Party, the party of Jefferson and Jackson, taking the head of a Hamiltonian bank in New York. Another effort to prevent reform in finance.

Hoover can promise relief until doomsday, Congress can bellyache until the end of time, and the people may laud these wizards of

politics, but until the finance of this Nation is changed the poor will grow poorer and the rich will grow richer.

The Federal reserve is privately owned. It is owned by the member banks. The member banks are privately owned.

The finance of the Federal reserve, the currency, is placed in the hands of private interests, who exploit the public for private gain. Money is a governmental function.

It should be handled, operated, and controlled by the Government. Should private interest be allowed to control the circulating medium?

The greatest sin ever committed against the patriotic American people was the vesting of the currency in the hands of private interest.

This money function, which by the laws of both God and man, belongs to the people, the people's government, is operated and controlled by private interest.

Then, sensible men like Mr. Hoover and our Congressmen think that relief will come from marketing associations alone.

Congress ought to investigate the operations of big business during the deflation period. Congressmen do not seem to know how their constituents were so mercilessly robbed during that dark financial disaster.

I have hoped for 10 years that Congress would see the sins of our financial system. Every day more banks break.

If all the member banks of the Federal reserve should fail, it would be dead for lack of stockholders. If it keeps on going, it will not be long until it reaches that goal, it seems.

The deflation policy was not a "supply and demand" policy. That system would not leave business to the law of supply and demand. The tampering with the finances of the country was disastrous.

Will not some big-hearted, broad-gauged statesman call the country back to the path of our fathers?

Shall the people continue to be exploited by private interest?

Really, do you think any visible relief will come from any of the programs offered to the assembling Congress?

Yours truly,

CHAS. E. BAGGETT.

Mr. EVANS of Montana. Mr. Speaker, in the brief time allotted to me I shall not try to analyze the intricate features of this bill but rather try to submit some general views on the subject. For the first time in six years the Agricultural Committee of this House has reported a bill on which practically all Members are agreed.

Mr. Speaker, agriculture has been so depressed during the past eight years and is now in such very great need of assistance that there is no bill promising the slightest relief that would not command my support. I want to be of constructive assistance. Whatever suggestions I have to make with reference to the merits or demerits of this measure will not be made in a partisan sense. I do not care who gets the credit if I can be of real service to the farmers of the country on the verge of bankruptcy.

I am not one who believes that this bill will cure all the ills of the farmer. Indeed, I think we should recognize that no legislation may be regarded a panacea for agricultural ailments. We can not set up a piece of legislation that will solve all the farmer's troubles. The best legislation that can be devised is the legislation that will help the farmer to help himself.

The bill that will give the farmer a fair chance to bargain on the market for the merchandising of his own product, that will give him economically sound methods in distribution, that will afford him protection against unequal competition, and that will tend to reduce the cost of production through a comprehensive plan of education and information will go a long way toward rehabilitating the great basic industry of agriculture. Practically all this the bill before us undertakes to do through the broad powers and adequate resources placed in the hands of the Federal farm board. In the last analysis the fundamental virtue of this bill lies in the fact that it stimulates personal endeavor and initiative on the part of the farmer himself. The cooperative and stabilization organizations are the children of the producer. They are created and administered by the farmer himself, and upon the loyalty and intelligence that he puts into these agencies depends the success of the whole project and plan. The Government, through the Federal farm board, lends its moral and financial support, but in no sense is the Government exercising the prerogative that belongs to the farmer himself.

The farmer is the victim of unfortunate circumstances, over which he at present has no control. When he has anything to sell, he pays the transportation charges and accepts whatever price the purchaser chooses to offer him. When he has something to buy, he again pays the freight and pays whatever price the merchant asks for the article. The farmer has absolutely no voice in fixing the price on what he produces or on what he consumes or uses. To-day he pays practically twice as much for labor as he did in the pre-war days; his machinery on the farm costs him double, his fertilizer from 70 to 80 per cent

more, while he receives for the major part of his crops 40 to 45 per cent advance. It is obvious that the farmer must either produce his crop at a lower cost or he must get a higher price for what he has to sell. He can not reduce the cost of his labor. In America, labor in the field and in the shop must receive a wage that will support a standard of living in keeping with the general level of our national development and progress. Some relief might come to him through a complete readjustment of transportation rates.

It is to the economic merchandising of his commodity, however, that the farmer must look with the greatest hope.

The policy of Congress is declared in section 1 to be to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the marketing of agricultural products, both in interstate and foreign commerce, to minimize speculation, to prevent inefficient and wasteful methods of distribution, and limit undue and excessive price fluctuations through the organization of producers into cooperative associations and the financing of farm marketing systems through cooperative associations and other agencies.

The bill provides for a clearing house that should prove very beneficial for the grower of perishable commodities in particular. At the present time the producer is entirely at the mercy of the commission merchant, who may or may not deal fairly with him. Every shipper of perishable crops, whether it be fruit, berries, tomatoes, potatoes, or apples, has had his sad experience in shipping promiscuously to commission merchants of the country. A clearing-house association as proposed, owned and operated by the producers themselves, would for once give the farmer an opportunity of helping to set a price on his own product. It would furnish the grower reliable information as to market conditions, both with regard to demand and price prospect. It would eliminate the present loss through the unfair commission merchant. This, of course, does not apply to all merchants.

The farmer has waited long and patiently for some assistance through the enactment of some legislation that will attempt to do for him what it has done for other lines of industry. I know that you can not arbitrarily legislate prosperity into the lap of any industry, but legislation can be passed that will attempt to remove inequalities in opportunity of one industry as compared with another. This is the purpose of the present bill. By making more effective the principle of cooperation through a more comprehensive system of cooperative marketing organizations much of the present waste that obtains along the line between the producer and the consumer will be eliminated. I am not arguing for the removal of the middleman, but I do say that his services are costing too much to-day.

I shall support this or any other bill which takes the first step to assist the depressed farmer. This bill creates a board to study the entire subject, and, in my judgment, this board, if sympathetic, will make recommendations to the next session of Congress for such additional legislation as will strengthen instead of weaken the board's power. That is the history of every board that has ever been created.

There will be two things necessary if this bill is to be a success. You must have a sympathetic farm board, a farm board with brains, and a farm board with money; and then, in order that that farm board may succeed, you must have cooperative market organizations. If you do not have a sympathetic board for agriculture this bill will fail of its own weight. There is a farm board consisting of seven members. Six of those seven members are to be appointed by the President of the United States, regardless of politics or regional localities. Five of these members are to be appointed—2 for two years, 2 for four years, and 1 for six years—at \$12,000 a year. The Secretary of Agriculture is to be an ex officio member of this board. This board will deal with marketing situations. We propose to give this board a revolving fund of \$500,000,000 to be used in its operations.

That \$500,000,000 is to be used by the board for four purposes. First, to make loans to cooperative marketing associations of the various commodities. For the effective merchandising of the agricultural commodities and the food products thereof. Second, the construction or the acquisition by purchase and lease of storage or marketing facilities. There is a limitation in that to the effect that these cooperative marketing organizations can only borrow 80 per cent of the value of the facilities, and that they can not borrow any money for the building of facilities if there are suitable facilities already existing which are available either by rent or purchase in that vicinity. Third, they can borrow for formation of clearing-house associations. Fourth, extending the membership of cooperative organizations applying for loans by educating the producers of the commodities as to the advantages of market-

ing associations for that commodity. We all know that there are not sufficient cooperative marketing associations in this country to handle all commodities.

They can loan to a stabilization corporation for each commodity. The bill provides for the creation of only one stabilization corporation for each commodity. A stabilization corporation, after it is organized, can come and borrow money from this board. The stabilization corporation can borrow on each commodity for working capital to enable it to purchase, store, merchandise, or otherwise dispose of that commodity.

You have heard it said we are going to get the world's price plus the tariff. Of course, anybody who reads knows that a protective tariff is not of advantage to the producers of great exportable surpluses. Everybody knows that such a tariff is not worth the paper it is written on. That has been fully demonstrated by the tariff of 42 cents a bushel on wheat. Everybody knows that is a miller's tariff. Everybody knows that the millers of Minneapolis or other great millers can bring wheat in under bond by paying a tariff of 42 cents a bushel. Then, if they mix as much as 30 per cent of American wheat with the Canadian wheat and grind it into flour and its by-products and export it, they can go back to the same customhouse and draw down 99 cents on every dollar's worth of tariff they paid on wheat. But with this stabilization corporation created and established it will be in a position to handle the surplus. This stabilization corporation can borrow funds with which to go out into the market and buy the surplus; if necessary, it can take it off the market and store it. It can then do one of two things with the surplus; either feed it through the markets of the world gradually, as there is a world demand for it, or feed it back into the markets of this country when there is a lean year on that product in this country. I think that with the right kind of a stabilization corporation the Government would not only not lose a dollar loaned to such a stabilization corporation, but that the stabilization corporation will make money. Why? Because that stabilization corporation is not going to buy, if it exercises its functions properly, except at a depressed market and at a depressed price, because that is the only occasion for its ever going in the market and buying.

If they buy in a depressed market at a depressed price the effect is bound to be that of stimulating the price, and that will be done immediately. Then, of course, the stabilization corporation would sell in a stimulated market and always buy in a depressed market. At the same time it would stabilize the agricultural products of which we raise a surplus in this country. I think it will be of inestimable benefit to the stabilization of those products of which we raise an exportable surplus in this country, such as wheat, cotton, and tobacco, and, as I say, the loan will be perfectly sound, the security will be perfectly sound, and if the corporation is run in a businesslike way it will make money. I do not see how they can lose money if they have the right kind of business men at the head of them, and I do not think they ought to lose money if they buy in a depressed market at a depressed price.

This bill will probably not meet the expectations of the farmers or its framer, but, in my judgment, it is the first step in an effort to give agriculture some relief. If anyone has a better proposal, it should be brought forth.

If this bill is not passed, no bill will be passed at this session. I shall, therefore, support it and hope for the best.

Mr. WALKER. Mr. Speaker, it is a pleasing observation to note the earnest desire on the part of the great majority of the Members of this House to bring about farm relief. It is equally manifest that they agree upon the present bill, H. R. 1, as the only sound and feasible plan that it is possible to enact at this time. In view of this sentiment, the only sensible thing to do is to enact this legislation as soon as possible, so that its benefits may be applied to the farming interest at the earliest possible moment. Everyone seems to think that the provisions of this proposed law are sound. The only objection urged is that it does not go far enough. The only addition presented at this time is the so-called debenture plan. In view of the position of the administration this plan is impossible. Even if it has the merit for which its friends contend, it involves so many angles, it is difficult to foretell the result of its operations. As a rotten speck may decay the entire apple, so an unsound provision in the farm relief bill might destroy the whole structure. The future is before us and this law can be amended at any time. It is better that we should not go far enough than to go too far. If we go too far we may sink in the whirlpool of speculation and uncertainty, but if we do not go far enough we can ascertain the fact by experience, and cautiously proceed with understanding and enlightenment.

A step in the dark is always uncertain, but to proceed in the light brings us easily to our destination. At this time there

appears to be only one way open to us, and that is to pass this bill.

Why roam in the fields of speculation and uncertainty when our path to accomplishment is clearly open before us? The purpose of this bill is to promote orderly marketing of agricultural commodities and to place agriculture on a basis of economic equality with other industries. The primary difficulty with the farmer's operations is that the person to whom he sells fixes the price of his product; and, likewise, the person from whom he buys fixes the price of the articles purchased by him. This manifest injustice has brought forth a public sentiment for farm relief from this situation, for as sure as we have economic laws the price of farm products must be raised or the price of other commodities must be lowered. It is, therefore, to the interest of all that the farmer should be raised rather than to have all others lowered. May we not indulge the hope that those who are now engaged in the purchasing of the farmer's product will pay him a fair price? The farmer is perfectly willing to concede to those from whom he buys that they should have the cost of the article plus a reasonable profit. This is all he asks for himself. He only asks for himself that which he is perfectly willing to concede to others. The cost of production plus a fair profit. If the buyer does not recognize and agree to this just demand, then in some future Congress we may expect radical laws that may destroy the business of the buyer because he has failed to comply with these equitable principles.

I am glad in this connection to note that the buyers of burley tobacco in my district recognized this principle on the market last winter and I hope they will continue to do so. The only objection was that they failed to stabilize the price, as it dropped 10 cents per pound in less than a week. I believe that the present bill will have a wonderful effect in bringing about the stabilization of prices.

This bill provides for the protection, control, and stabilization of agricultural commodities and their food products in the marketing of same by minimizing speculation, preventing insufficient and wasteful methods of distribution, and limiting undue and excessive price fluctuations, by encouraging cooperative associations and other agencies producer owned and producer controlled, and preventing and controlling surpluses in crops, causing orderly production and distribution, and to maintain advantageous domestic marketing and to prevent such surpluses from unduly depressing prices.

It is further provided in the bill that a Federal farm board be created to carry out the provisions thereof. Not among the least duties of this board is the making of recommendations for legislation. I think this a very important provision. I feel sure that these experts and representatives of the agricultural interest can suggest much sound legislation upon which the Congress can act with confidence. This board is given broad powers to carry out the provisions of this law. It will advise the farmer on the question of supply and demand and crop prices and prospects at home and abroad, so that he may arrange his crop productions, with the information and knowledge of conditions at home and abroad.

Heretofore he has planted his crop in utter ignorance of what he might expect for it. Under this plan he can be advised whether or not there is a surplus or overproduction before he acts. This board will further undertake to expand the market for agriculture at home and abroad and find more uses for them and their byproducts. A revolving fund of a half billion dollars is authorized to be administered by the board in carrying out this act. They can make loans for effective merchandising, for marketing facilities, for the formation of clearing-house associations, for extending the membership of cooperative associations. Independent dealers in the commodity, as well as cooperative associations, are eligible for membership in the clearing-house associations. The board can insure cooperatives against loss in prices. Again, the board may organize stabilization corporations, who may act as a marketing agency for its stockholders or members, and the board may make loans to said corporations to enable them to purchase, store, merchandise, or otherwise dispose of the commodity. If there is a loss, it is not assessed against the stockholder but is to be repaid out of the profits, but if there is no profit, then the Government stands the loss. The farm board, using this huge fund, will work to increase and stabilize the price of the products of the farmer, and if they need additional legislation, they can ask for it, and I am sure that Congress will grant it.

It is impracticable to pass a law to furnish money to each independent farmer. Therefore the assistance rendered must be through farm organizations, such as cooperatives and stabilization corporations.

If we are to have cooperative associations the farm board must work out some plan whereby it will be worth more to the individual farmer to be a member of the association rather than a nonmember. Heretofore the trouble has been that the associations have been required to carry the surplus of the crops, to pay all of the expenses, suffer all of the delays in payment, and to assume all the burden, and the outsider has benefited more than the member. This for the reason that the outsider had no burden to bear and the buyer would promptly purchase his crop and leave the surplus in the hands of the association. I believe all this can be remedied. If this board can bring about an agreeable cooperation between the producer, the dealer, and the consumer to the end that the producer and the dealer should receive a reasonable profit, and the consumer purchase at a reasonable price.

This will indeed be a very happy solution of the whole situation if this board, through its ability, integrity, and fair dealing, could bring all parties to this common level of common honesty.

Whether the farmer avails himself of the benefits of this bill or not, I feel sure it will be a great refuge to which he can resort in the future, if prices become too greatly depressed, and it will be a weapon in his hands whereby he can advance his price to a reasonable amount. Under this bill he is free and independent, the board has no right to compel him to do anything. It is well that this is so, because the good health and freedom and independence of the farmer are blessings which he enjoys far beyond any riches. If he can add to this his cost of production, plus a reasonable profit, he will be satisfied.

I feel there are many things that this board can do for the farmer. One of the greatest reliefs that could be given to the farmer is reduction of taxes. While this is a matter that addresses itself to State and local governments, yet there is one example as to the taxation on tobacco in my district, where Burley tobacco is the chief money crop, where Congress can give relief. For every pound of cigarette tobacco that the grower sells for an average of about 25 or 30 cents per pound, the United States Government collects a tax of \$1 per pound and the manufacturer and dealer get the balance. This is an unfair division. The Government gets for taxation four times as much as the producer. In other words, this is a tax of 400 per cent on the producer and it is really a war tax. The price may decline to 10 cents per pound yet the Government still gets its tax and the dealer gets his profit. The producer only suffers. I think this farm board will recommend relief from this oppression. The producer and the consumer pay this tax. This involves the question of revenue and, while I do not intend to present the matter at this special session, yet it is my intention now to bring it to the attention of the regular session. On chewing and smoking tobacco the price is about 20 cents and the tax 18 cents per pound, or nearly 100 per cent. While it may be true that tobacco should pay a high tax, yet it seems to me that this is extreme, and the tobacco farmers are entitled to some reduction as a farm relief.

I trust that this bill will bring the results for which it was intended. It is a pleasure for me to follow the lead of the great statesman from Iowa, Mr. HAUGEN, who has labored so long and so well for this great constructive program. We are further fortified in our position by the judgment and the wisdom of the President of the United States, whose leadership we all now so gladly follow.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 24, 1929, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOORE of Virginia: A bill (H. R. 1808) to amend an act approved March 16, 1878, entitled "An act to make persons charged with crime and offenses competent witnesses in the United States and Territorial courts"; to the Committee on the Judiciary.

Also, a bill (H. R. 1809) to provide for the procedure in the trial of certain criminal cases by the district courts of the United States; to the Committee on the Judiciary.

By Mr. LAMBERTSON: A bill (H. R. 1810) to authorize appropriations for the Command and General Staff School, Fort Leavenworth, Kans.; to the Committee on Military Affairs.

By Mr. HENRY T. RAINEY: A bill (H. R. 1811) to promote interstate commerce, agriculture, and the general welfare by providing for the development and control of waterways and

water resources, for water conservation, for flood control, prevention, and protection; for the application of flood waters for beneficial uses; and for cooperation in such work with States and other agencies, and for other purposes; to the Committee on Flood Control.

Also, a bill (H. R. 1812) extending the jurisdiction of the Mississippi River Commission to the Illinois River, and for other purposes; to the Committee on Flood Control.

Also, a bill (H. R. 1813) to prevent destructive floods in the Illinois River; to the Committee on Flood Control.

Also, a bill (H. R. 1814) for the improvement of commerce and navigation in the Illinois River, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. LEHLBACH: A bill (H. R. 1815) to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, as amended; to the Committee on the Civil Service.

By Mr. LUDLOW: A bill (H. R. 1816) to amend the act of March 4, 1909 (35 Stat. 1120, U. S. C., title 18, secs. 281, 282); to the Committee on the Judiciary.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 1817) to amend section 4826 of the Revised Statutes of the United States, as amended; to the Committee on Military Affairs.

By Mr. THATCHER: A bill (H. R. 1818) to authorize the construction of a George Rogers Clark Memorial Lighthouse on the Ohio River at or adjacent to the city of Louisville, Ky.; to the Committee on the Library.

By Mr. DUNBAR: Joint resolution (H. J. Res. 49) authorizing the erection of a monument to the memory of Gen. George Rogers Clark; to the Committee on the Library.

By Mr. EATON of Colorado: Joint resolution (H. J. Res. 50) providing for the issuance of a special series of postage stamps illustrating the Mount of the Holy Cross in the State of Colorado; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 51) to authorize the erection on the home site of the All-American Indian Legion Post No. 12, just north of the Kiowa Hospital, near Lawton, Okla., of a monument to I-See-O; to the Committee on the Library.

By Mr. EVANS of California: Resolution (H. Res. 28) for the appointment of five Members of the House to inquire into the collision between two airplanes near San Diego, Calif., on April 21, 1929, and for other purposes; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H. Res. 29) calling upon the House of Representatives to investigate all matters concerned with the administration of the Federal bankruptcy act; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. COOPER of Wisconsin: Memorial of the Legislature of the State of Wisconsin, relating to agricultural relief and tariff on farm products; to the Committee on Ways and Means.

By Mr. LAMPERT: Joint resolution by the Wisconsin State Legislature, memorializing the Congress of the United States to enforce all articles and amendments of the United States Constitution alike; to the Committee on the Judiciary.

By Mr. McCORMACK of Massachusetts: Memorial of the House of Representatives of Massachusetts, adopted February 28, 1929, when it was ordered that the House of Representatives of the General Court of Massachusetts urges upon the Congress of the United States the immediate repeal of clause (b) of section 11 of the immigration act of 1924, commonly known as the national-origins-clause of said act, and that certified copies of this order be forwarded by the secretary of the Commonwealth to the Senators and Representatives from Massachusetts in the Congress of the United States; signed by Frank E. Bridgman, clerk; F. W. Cook, secretary of the Commonwealth; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 1819) for the relief of Robert Turner; to the Committee on Claims.

By Mr. CAREW: A bill (H. R. 1820) for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York; to the Committee on Claims.

By Mr. COLLIER: A bill (H. R. 1821) for the relief of Charles H. Penley; to the Committee on Claims.

Also, a bill (H. R. 1822) for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress; to the Committee on Claims.

Also, a bill (H. R. 1823) for the relief of the legal representative of Ann D. Halsey, deceased; to the Committee on War Claims.

Also, a bill (H. R. 1824) for the relief of Leo C. Vollinger; to the Committee on Claims.

Also, a bill (H. R. 1825) for the relief of David McD. Shearer; to the Committee on Claims.

Also, a bill (H. R. 1826) for the relief of Floyd Dillon, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 1827) for the relief of the dependents of Max Grady Sullivan, deceased; to the Committee on Naval Affairs.

By Mr. COYLE: A bill (H. R. 1828) for the relief of John J. Foley; to the Committee on Military Affairs.

Also, a bill (H. R. 1829) granting a pension to Abel T. Rohback; to the Committee on Invalid Pensions.

By Mr. FITZPATRICK: A bill (H. R. 1830) granting an increase of pension to Clara W. Barrett; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H. R. 1831) authorizing the President to appoint P. Jean des Garennes a professor of mathematics, United States Naval Academy, with the rank of ensign; to the Committee on Naval Affairs.

By Mr. GIBSON: A bill (H. R. 1832) granting a pension to Alice A. Switzer; to the Committee on Invalid Pensions.

By Mr. HALSEY: A bill (H. R. 1833) granting an increase of pension to Ruth E. Tope; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1834) granting an increase of pension to Nannie B. Turner; to the Committee on Invalid Pensions.

By Mr. MORTON D. HULL: A bill (H. R. 1835) granting an increase of pension to Catherine M. Bear; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1836) for the relief of Robert E. Beck, alias Rudolph E. Beck; to the Committee on Military Affairs.

Also, a bill (H. R. 1837) for the relief of Kurt Faib; to the Committee on Claims.

By Mr. IRWIN: A bill (H. R. 1838) granting an increase of pension to Rose Dodge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1839) granting a pension to Jessie K. Cadwallader; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 1840) for the relief of Gertrude Lustig; to the Committee on Claims.

By Mr. JOHNSTON of Missouri: A bill (H. R. 1841) granting a pension to Mary E. Jamison; to the Committee on Invalid Pensions.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 1842) granting a pension to Clark F. Arison; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 1843) granting a pension to Grace V. Barrett; to the Committee on Invalid Pensions.

By Mr. LAMPERT: A bill (H. R. 1844) granting an increase of pension to Kittie E. Farr; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 1845) granting a pension to Robert D. Allmatt (Robert Allnutt or Robert Alnutt); to the Committee on Invalid Pensions.

Also, a bill (H. R. 1846) granting a pension to James A. Shelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1847) granting a pension to M. S. Durham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1848) granting a pension to Lillian Fessant; to the Committee on Pensions.

Also, a bill (H. R. 1849) granting a pension to Elizabeth Caulk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1850) granting an increase of pension to Nancy A. Branaman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1851) granting an increase of pension to Susie Hayes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1852) granting an increase of pension to Maud Hammond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1853) granting a pension to Annie E. Carson; to the Committee on Invalid Pensions.

By Mr. McDUFFIE: A bill (H. R. 1854) granting an increase of pension to Bertha R. Baer; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 1855) granting a pension to Mary T. Johnson; to the Committee on Invalid Pensions.

By Mrs. NORTON: A bill (H. R. 1856) granting a pension to Mary E. Keefe; to the Committee on Pensions.

Also, a bill (H. R. 1857) granting a pension to Lester G. Cross; to the Committee on Pensions.

Also, a bill (H. R. 1858) granting a pension to Marie C. Ryan; to the Committee on Pensions.

Also, a bill (H. R. 1859) granting an increase of pension to Marie E. Schuhardt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1860) granting an increase of pension to Mary E. Jacobus; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1861) granting an increase of pension to Mary E. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1862) granting an increase of pension to Cecelia F. Mansell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1863) granting an increase of pension to Jean H. Kitchel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1864) granting an increase of pension to Susie E. Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1865) granting an increase of pension to Johanna Hetteshelmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1866) granting an increase of pension to Catherine Wilson; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 1867) granting a pension to William K. Price; to the Committee on Invalid Pensions.

By Mr. HENRY T. RAINEY: A bill (H. R. 1868) granting a pension to Thomas Franklin Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1869) for the relief of John A. McClure; to the Committee on Claims.

Also, a bill (H. R. 1870) granting a pension to Dorothy Sampson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1871) granting an increase of pension to Lieucettia J. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1872) granting an increase of pension to Zach Pullum; to the Committee on Pensions.

Also, a bill (H. R. 1873) granting an increase of pension to Harriet Durham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1874) granting an increase of pension to Emma T. Saunders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1875) granting an increase of pension to Amy Drum; to the Committee on Pensions.

Also, a bill (H. R. 1876) granting an increase of pension to Mattie J. Clark; to the Committee on Invalid Pensions.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 1877) for the relief of Walter S. Johnston; to the Committee on Military Affairs.

Also, a bill (H. R. 1878) for the relief of Howard P. Milligan; to the Committee on Military Affairs.

Also, a bill (H. R. 1879) for the relief of Morris Rosen; to the Committee on Military Affairs.

Also, a bill (H. R. 1880) for the relief of Touma Tamexian; to the Committee on Military Affairs.

Also, a bill (H. R. 1881) for the relief of Paul Wallerstein; to the Committee on Military Affairs.

Also, a bill (H. R. 1882) for the relief of Harry Cinq-Mars; to the Committee on Military Affairs.

Also, a bill (H. R. 1883) for the relief of Fred Andler, jr.; to the Committee on Military Affairs.

Also, a bill (H. R. 1884) for the relief of Charles F. Reilly; to the Committee on Military Affairs.

Also, a bill (H. R. 1885) for the relief of Leroy Overpeck; to the Committee on Military Affairs.

Also, a bill (H. R. 1886) appointing William Mitchell, of Wisconsin, a member of the Board of Managers of the National Home for Disabled Volunteer Soldiers of the United States; to the Committee on Military Affairs.

Also, a bill (H. R. 1887) for the relief of the George C. Mansfield Co. and George D. Mansfield; to the Committee on Claims.

Also, a bill (H. R. 1888) for the relief of Rose Lea Comstock; to the Committee on Claims.

Also, a bill (H. R. 1889) for the relief of Roland Zolesky; to the Committee on Claims.

Also, a bill (H. R. 1890) for the relief of Frank Wetyen; to the Committee on Claims.

Also, a bill (H. R. 1891) for the relief of Vincent Baranasies; to the Committee on Claims.

Also, a bill (H. R. 1892) for the relief of Henry Manske, jr.; to the Committee on Naval Affairs.

Also, a bill (H. R. 1893) for the relief of Margaret Diederich; to the Committee on Foreign Affairs.

Also, a bill (H. R. 1894) for the relief of the estate of Franklin D. Clark; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 1895) granting a pension to John Mienkowski; to the Committee on Pensions.

Also, a bill (H. R. 1896) granting a pension to Benjamin F. Kabosky; to the Committee on Pensions.

Also, a bill (H. R. 1897) granting a pension to John Wrobleski; to the Committee on Pensions.

Also, a bill (H. R. 1898) granting a pension to George Stovall Mitchell; to the Committee on Pensions.

Also, a bill (H. R. 1899) granting a pension to Ove H. Gram; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1900) granting a pension to Annie Duggan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1901) granting a pension to Caroline Carleton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1902) granting a pension to William G. Munro; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1903) granting a pension to Fred E. Craigne; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 1904) for the relief of J. C. Thompson; to the Committee on Indian Affairs.

By Mr. SPARKS: A bill (H. R. 1905) granting an increase of pension to Savina Stump; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 1906) granting a pension to Telitha C. Harvey; to the Committee on Invalid Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 1907) granting a pension to Pearl Brentlinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 1908) granting a pension to Margaret S. Colf; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 1909) for the relief of Emery Cormier; to the Committee on Patents.

By Mr. ZIHLMAN: A bill (H. R. 1910) granting a pension to Isaac Clay; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

177. Petition of North Beach Promotion Association, North Beach, Md., memorializing Congress for a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

178. By Mr. BURTNESS: Petition of the citizens of Great Bend and adjoining communities, asking that the tariff be made effective on farm products, and in absence thereof that tariff now existing on manufactured products be repealed, particularly emphasizing the need thereof in export surplus crops; to the Committee on Agriculture.

179. By Mr. EATON of Colorado: Petition of the Grand Army of the Republic, urging the passage of legislation by the special session of the Seventy-first Congress for the relief of Civil War veterans and their widows, sufficient only to procure the necessities, not the luxuries, of life; to the Committee on Invalid Pensions.

180. By Mr. FITZPATRICK: Petition of B. Jacobsen, chairman Scandinavian Immanuel Lutheran Church, of 1410 Vyse Avenue, Bronx, New York City, and members of the congregation, advocating the repeal of the national-origins provision of the immigration act and for the continuance of the quotas based on 2 per cent of the 1890 census; to the Committee on Immigration and Naturalization.

181. By Mr. McDUFFIE: Evidence in support of House bill 1854, granting an increase of pension to Bertha R. Baer; to the Committee on Invalid Pensions.

SENATE

WEDNESDAY, April 24, 1929

(Legislative day of Tuesday, April 23, 1929)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MEMORIALS

Mr. WHEELER presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Finance:

Senate Joint Memorial 7

A resolution memorializing the Congress of the United States, requesting the passage of necessary legislation providing for an increase of the tariff on flaxseed and flaxseed products

To the honorable Senate and House of Representatives in the Congress of the United States:

Your memorialists, the members of Twenty-first Legislative Assembly of the State of Montana, respectfully request that—

Whereas flax is one of the important crops of our Northwestern States and is grown quite generally in Montana and to the extent of its planting tends to replace a similar acreage of wheat, of which a greater acreage is now planted than is to the best interests of the producers; and

Whereas this country does not now produce a surplus of flaxseed, an increased tariff on this commodity should immediately result in a larger acreage being planted and an improvement in price to the producer, together with a measure of relief to the wheat-growing situation: Now, therefore, be it

Resolved, That it is the sense of this Twenty-first Legislative Assembly of the State of Montana that the Congress of the United States place a duty on flaxseed of 1½ cents per pound in lieu of the present rate of 40 cents per bushel of 56 pounds, and also a proportionate duty upon flaxseed products; and be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state for Montana to the Senate and House of Representatives of the United States, to each of the Senators and Representatives of the State of Montana in Congress, also to the Tariff Commission and the Ways and Means Committee of the National Congress, with the request that they and each of them exert every effort within their power to bring about the enactment of the tariff legislation herein expressed.

Approved by J. E. Erickson, governor, February 22, 1929.

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD and referred to the Immigration Committee a telegram from Mrs. D. Roger Englar, corresponding secretary general of the Daughters of the American Revolution, relating to the subject of the repeal of the national-origins clause of the immigration law.

There being no objection, the telegram was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., April 18, 1929.

HON. JOE T. ROBINSON,

United States Senator, Senate Minority Floor Leader,

Senate Office Building, Washington, D. C.:

The National Society Daughters of the Revolution desire to go on record as strongly opposed to any change in the present provisions of the immigration laws with respect to national origins.

Mrs. D. ROGER ENGLAR,
Corresponding Secretary General.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PITTMAN:

A bill (S. 563) to amend section 4 of the interstate commerce act; to the Committee on Interstate Commerce.

By Mr. TRAMMELL:

A bill (S. 564) providing for flood control and improvement of navigation of Lake Okeechobee, Fla., and the Caloosahatchee River, Fla.; to the Committee on Commerce.

By Mr. GILLETT:

A bill (S. 565) for the relief of Mucia Alger; to the Committee on Claims.

A bill (S. 566) granting an increase of pension to Mary E. Dickinson; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 567) granting an increase of pension to Henrietta P. Munroe (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 568) to establish the Wright Transcontinental Airway; to the Committee on Commerce.

A bill (S. 569) defining the official salute to the flag; to the Committee on Military Affairs.

A bill (S. 570) for the relief of Stanley S. Brown; to the Committee on Claims.

By Mr. PHIPPS:

A bill (S. 571) to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920; to the Committee on Interstate Commerce.

By Mr. ROBINSON of Indiana:

A bill (S. 572) to make The Star-Spangled Banner the national anthem of the United States of America; to the Committee on the Library.

By Mr. DALE:

A bill (S. 573) granting an increase of pension to Cora A. Dunham;

A bill (S. 574) granting an increase of pension to Alma J. Arthur (with accompanying papers);